

## Notes to the Financial Statements

For the year ended October 31, 2000

### 9. Director's Emoluments

	2000 HK\$'000	1999 HK\$'000
Directors' emoluments:		
Fees:		
Executive directors	800	763
Non-executive directors	240	240
	<u>1,040</u>	<u>1,003</u>
Other emoluments to executive directors:		
Salaries and other benefits in kind	9,615	12,014
Estimated rental value for rent-free accommodation provided to a director	849	829
	<u>11,504</u>	<u>13,846</u>

The amount disclosed above include directors' fees of HK\$160,000 (1999: HK\$160,000) payable to independent non-executive directors.

The emoluments of the directors were within the following bands:

	Number of directors	
	2000	1999
Nil – HK\$1,000,000	3	4
HK\$1,500,001 – HK\$2,000,000	3	2
HK\$2,000,001 – HK\$2,500,000	1	2
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$4,000,001 – HK\$4,500,000	–	1
	<u>8</u>	<u>9</u>

### 10. Employees' Emoluments

The five highest paid individuals in the Group in 2000 and 1999 were all directors of the Company and details of their emoluments are included in note 9 above.

## Notes to the Financial Statements

For the year ended October 31, 2000

### 11. Taxation

	2000 HK\$'000	1999 HK\$'000
The charge comprises:		
Profits Tax for the year		
Hong Kong	1,645	159
Overseas	7,318	6,320
Underprovision in prior years		
Hong Kong	708	770
Overseas	(12)	(264)
	<u>9,659</u>	<u>6,985</u>
Share of tax on results of associates	460	–
Deferred taxation (Note 29)	<u>(410)</u>	<u>(4)</u>
	<u>9,709</u>	<u>6,981</u>

Hong Kong Profits Tax is calculated at 16% (1999: 16%) on the estimated assessable profit for the year. A portion of the Group's profit is derived offshore and is not subject to Hong Kong Profits Tax.

Overseas taxation is calculated at the rates prevailing in the relevant jurisdictions.

The Group did not have any significant unprovided deferred taxation for the year.

### 12. Net Profit for the Year

Of the Group's net profit for the year of approximately HK\$46,064,000 (1999: HK\$49,476,000), a loss of approximately HK\$23,051,000 (1999: a profit of HK\$70,733,000) has been dealt with in the financial statements of the Company.

### 13. Dividend

	2000 HK\$'000	1999 HK\$'000
Final dividend, proposed – HK3.5 cents (1999: HK2.5 cents) per share	<u>17,359</u>	<u>12,399</u>

## Notes to the Financial Statements

For the year ended October 31, 2000

### 14. Earnings Per Share

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

	THE GROUP	
	2000 HK\$'000	1999 HK\$'000
Earnings for the purposes of basic earnings per share	<u>46,064</u>	<u>49,476</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	495,957,252	495,982,183
Effect of dilutive potential ordinary shares in respect of options	<u>1,231,416</u>	<u>—</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>497,188,668</u>	<u>495,982,183</u>

No diluted earnings per share has been presented for 1999 as the exercise price of share options was higher than the average market price of the Company's shares.

The adjustment to comparative basic and diluted earnings per share, arising from the changes in accounting policies described in note 2 above, is as follows:

	Basic HK cents
Reconciliation of 1999 earnings per share:	
Reported figures before adjustments	9.69
Adjustment arising from the adoption of SSAP 1 (revised)	<u>0.29</u>
Restated	<u>9.98</u>

## Notes to the Financial Statements

*For the year ended October 31, 2000*

### 15. Investment Properties

	<b>THE GROUP</b>
	<b>HK\$'000</b>
<b>VALUATION</b>	
At November 1, 1999	78,639
Reclassification (note 16)	(18,360)
Revaluation deficit	(5,073)
	<hr/>
<b>At October 31, 2000</b>	<b>55,206</b>
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The investment properties were valued by a firm of professional valuers, chartered surveyors, at October 31, 2000, on an open market value existing state basis, and the resulting revaluation deficit of HK\$5,073,000, has been charged to the consolidated income statement. The investment properties are analysed as follows:

	<b>THE GROUP</b>	
	<b>2000</b>	<b>1999</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Land situated in Hong Kong held under long leases	<b>51,178</b>	70,011
Land situated outside Hong Kong held under long leases	<b>4,028</b>	8,628
	<hr/>	<hr/>
	<b>55,206</b>	78,639
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## Notes to the Financial Statements

For the year ended October 31, 2000

### 16. Property, Plant and Equipment

	Long leasehold land and buildings situated in Hong Kong HK\$'000	Land and buildings situated outside Hong Kong HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Tools, machinery, factory equipment and fittings HK\$'000	Motor vehicles HK\$'000	Operating supplies HK\$'000	Properties under development HK\$'000	Total HK\$'000
<b>THE GROUP</b>									
<b>COST</b>									
At November 1, 1999	68,030	253,178	24,703	94,436	105,239	17,396	27,298	5,476	595,756
Exchange adjustments	–	(12,348)	(346)	(2,705)	(3,064)	(588)	(711)	(1,494)	(21,256)
Additions	–	90	3,440	11,098	7,872	2,394	1,533	–	26,427
Acquisition of subsidiaries	–	–	68	919	524	573	–	–	2,084
Disposal of a subsidiary	–	–	(214)	(84)	(16)	(133)	(2,793)	–	(3,240)
Disposals	–	(3,817)	(1,215)	(1,495)	(4,459)	(3,254)	(792)	–	(15,032)
Reclassifications (note 15)	13,760	4,600	–	85	31	–	(116)	–	18,360
<b>At October 31, 2000</b>	<b>81,790</b>	<b>241,703</b>	<b>26,436</b>	<b>102,254</b>	<b>106,127</b>	<b>16,388</b>	<b>24,419</b>	<b>3,982</b>	<b>603,099</b>
<b>DEPRECIATION AND AMORTISATION</b>									
At November 1, 1999	4,932	35,751	12,274	62,502	62,839	11,848	18,783	–	208,929
Exchange adjustments	–	(1,947)	(207)	(2,085)	(2,766)	(400)	(6)	–	(7,411)
Provided for the year	1,548	7,674	4,320	12,357	14,648	2,259	3,079	–	45,885
Acquisition of subsidiaries	–	–	–	421	105	462	–	–	988
Disposal of a subsidiary	–	–	(182)	(26)	(7)	(58)	(1,191)	–	(1,464)
Eliminated on disposals	–	(14)	(978)	(825)	(2,398)	(1,162)	(170)	–	(5,547)
Reclassification	–	–	–	(4)	82	(78)	–	–	–
<b>At October 31, 2000</b>	<b>6,480</b>	<b>41,464</b>	<b>15,227</b>	<b>72,340</b>	<b>72,503</b>	<b>12,871</b>	<b>20,495</b>	<b>–</b>	<b>241,380</b>
<b>NET BOOK VALUES</b>									
<b>At October 31, 2000</b>	<b>75,310</b>	<b>200,239</b>	<b>11,209</b>	<b>29,914</b>	<b>33,624</b>	<b>3,517</b>	<b>3,924</b>	<b>3,982</b>	<b>361,719</b>
At October 31, 1999	63,098	217,427	12,429	31,934	42,400	5,548	8,515	5,476	386,827

## Notes to the Financial Statements

For the year ended October 31, 2000

### 16. Property, Plant and Equipment (Cont'd)

The properties under development represent land situated outside Hong Kong held under medium-term leases with carrying values of approximately HK\$3,982,000 (1999: HK\$5,476,000).

The net book value of property, plant and equipment includes an amount of approximately HK\$4,698,000 (1999: HK\$14,143,000) in respect of assets held under finance leases and hire purchase contracts.

The net book value of land and buildings outside Hong Kong comprises:

	THE GROUP	
	2000	1999
	HK\$'000	HK\$'000
Freehold properties	18,300	29,605
Situated on land held under:		
Long leases	10,660	6,242
Medium-term leases	154,568	163,851
Short leases	16,711	17,729
	<u>200,239</u>	<u>217,427</u>

As the Group is engaged in the exhibition related business, tools, machinery, factory equipment and fittings are available for short-term leasing. If required, the land and buildings are also available for short-term leasing as well.

### 17. Interests in Subsidiaries

	THE COMPANY	
	2000	1999
	HK\$'000	HK\$'000
Unlisted shares	66,394	66,394
Amount due from a subsidiary	554,281	554,281
	<u>620,675</u>	<u>620,675</u>

The carrying value of the unlisted shares is based on the underlying net tangible assets of the subsidiaries at the time when they became members of the Group at the date of reorganisation.

The amount due from a subsidiary is unsecured, non-interest bearing and the Group will not demand for repayment from the subsidiary within the next twelve month from balance sheet date.

Particulars of the Company's principal subsidiaries at October 31, 2000 are set out in note 42.

## Notes to the Financial Statements

*For the year ended October 31, 2000*

### 18. Interests in Associates

	THE GROUP	
	2000	1999
	HK\$'000	HK\$'000
Share of net assets	5,759	4,147

Particulars of the Group's principal associates at October 31, 2000 are set out in note 43.

### 19. Investments in Securities

	THE GROUP	
	2000	1999
	HK\$'000	HK\$'000
Other securities, unlisted	4,001	4,029
Other securities, listed in Hong Kong	519	871
	4,520	4,900
Market value of listed other securities	519	871

### 20. Other Receivable

	THE GROUP	
	2000	1999
	HK\$'000	HK\$'000
Amount due from an investee company (Note a)	21,421	18,264
Less: Provision	(3,274)	(2,181)
	18,147	16,083
Project loan receivable (Note b)	19,014	19,014
Less: Provision	(9,035)	(8,404)
	9,979	10,610
	28,126	26,693

## Notes to the Financial Statements

For the year ended October 31, 2000

### 20. Other Receivable (Cont'd)

Notes:

- (a) The amount due from an investee company is unsecured, non-interest bearing and the Group will not demand for repayment from the investee company within the next twelve months from balance sheet date.
- (b) The project loan receivable represents an advance to Hassell Holdings Limited, being a company in which the Group has a 10 per cent. equity interest, is unsecured and non-interest bearing. The purpose of the advance is to finance a property development project.

### 21. Inventories

	THE GROUP	
	2000 HK\$'000	1999 HK\$'000
Raw materials	8,584	8,446
Finished goods	4,505	3,198
	<u>13,089</u>	<u>11,644</u>

The cost of inventories recognised as an expense during the year amounted to HK\$91,206,000 (1999: HK\$91,350,000).

### 22. Contract Work in Progress

	THE GROUP	
	2000 HK\$'000	1999 HK\$'000
Contract costs incurred plus recognised profits less recognised losses	<u>32,468</u>	<u>8,311</u>



## Notes to the Financial Statements

*For the year ended October 31, 2000*

### 23. Debtors, Deposits and Prepayments

The Group allows a credit period of 30 to 90 days to its trade customers.

Included in debtors, deposits and prepayments are trade debtors of HK\$356,678,000 (1999: HK\$252,496,000), an ageing analysis of which at the reporting date is as follows:

	2000 HK\$'000	1999 HK\$'000
0 – 90 days	283,171	171,405
91 – 180 days	52,085	63,404
181 – 365 days	15,330	9,189
1 – 2 years	3,693	5,952
More than 2 years	2,399	2,546
	<u>356,678</u>	<u>252,496</u>

### 24. Amounts Due from Subsidiaries and Associates

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

### 25. Creditors and Accrued Charges

Included in creditors and accrued charges are trade creditors of HK\$142,276,000 (1999: HK\$135,597,000), an ageing analysis of which at the reporting date is as follows:

	2000 HK\$'000	1999 HK\$'000
0 – 90 days	113,179	95,910
91 – 180 days	21,601	37,271
181 – 365 days	5,206	434
1 – 2 years	1,047	781
More than 2 years	1,243	1,201
	<u>142,276</u>	<u>135,597</u>

## Notes to the Financial Statements

For the year ended October 31, 2000

### 26. Borrowings

	THE GROUP	
	2000	1999
	HK\$'000	HK\$'000
Borrowings comprise the following:		
Bank overdrafts	18,550	21,917
Bank loans	158,567	183,536
	<u>177,117</u>	<u>205,453</u>
Obligations under finance leases and hire purchase contracts	5,730	9,314
	<u>182,847</u>	<u>214,767</u>
Secured	115,907	109,567
Unsecured	66,940	105,200
	<u>182,847</u>	<u>214,767</u>
The maturity of the above borrowings is as follows:		
Bank loans and overdrafts:		
On demand or within one year	133,017	132,494
More than one year, but not exceeding two years	11,468	27,080
More than two years, but not exceeding five years	25,054	31,975
More than five years	7,578	13,904
	<u>177,117</u>	<u>205,453</u>
Obligations under finance leases and hire purchase contracts:		
Within one year	3,111	5,279
More than one year, but not exceeding two years	1,762	2,391
More than two years, but not exceeding five years	857	1,644
	<u>5,730</u>	<u>9,314</u>
	182,847	214,767
Less: Amount due within one year shown under current liabilities	(136,128)	(137,773)
	<u>46,719</u>	<u>76,994</u>