

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST JANUARY, 2001

8. DIRECTORS' EMOLUMENTS

	2001 HK\$	2000 HK\$
Directors' fees:		
Executive directors	-	-
Independent non-executive directors	865,000	-
	<u>865,000</u>	<u>-</u>

9. EMPLOYEES' EMOLUMENTS

The emoluments of the only staff of the Group were as follows:

	2001 HK\$	2000 HK\$
Salaries and other benefits	72,840	87,360
	<u>72,840</u>	<u>87,360</u>

10. INCOME TAX

	2001 HK\$	2000 HK\$
The charge comprises:		
Overseas taxation		
Provision for the year	-	131,000
	<u>-</u>	<u>131,000</u>

No provision for Hong Kong Profits Tax has been made in the financial statements as there was no assessable profits for the year.

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

Details of the potential deferred tax charge not provided for in the year are set out in note 24.

11. NET LOSS FOR THE YEAR

Of the Group's net loss for the year of HK\$8,422,328 (2000: HK\$1,170,101), a loss of HK\$3,106,756 (2000: HK\$1,515,606) has been dealt with in the financial statements of the Company.

12. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK\$8,422,328 (2000: HK\$1,170,101) and on 80,076,923 (2000: 80,076,923) ordinary shares in issue during the year.

No diluted loss per share is computed as the conversion of the Company's convertible preference shares would result in a decrease in net loss per share.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST JANUARY, 2001

13. INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY
	HK\$
At 1st February, 2000	10,850,000
Revaluation deficit	(1,150,000)
At 31st January, 2001	<u>9,700,000</u>

Investment properties were revalued at their open market value at 31st January, 2001 by B.I. Appraisals Limited, an independent professional valuer, on an open market existing use basis. This valuation gave rise to a revaluation decrease of HK\$1,150,000 (2000: HK\$150,000) of which HK\$350,000 (2000: HK\$150,000) has been charged to the investment property revaluation reserve and HK\$800,000 (2000: Nil) has been charged to the income statement.

All of the investment properties which are situated in Hong Kong and are held on medium-term leases, have been pledged to secure general banking facilities granted to the Group.

14. PROPERTY, PLANT AND EQUIPMENT

	Air- conditioning system	Furniture and fixtures	Office equipment	Computer system	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
THE GROUP					
COST					
At 1st February, 2000 and 31st January, 2001	38,000	43,410	51,740	264,650	397,800
DEPRECIATION					
At 1st February, 2000	35,690	43,124	50,300	252,251	381,365
Provided for the year	231	57	288	2,480	3,056
At 31st January, 2001	<u>35,921</u>	<u>43,181</u>	<u>50,588</u>	<u>254,731</u>	<u>384,421</u>
NET BOOK VALUES					
At 31st January, 2001	<u>2,079</u>	<u>229</u>	<u>1,152</u>	<u>9,919</u>	<u>13,379</u>
At 31st January, 2000	<u>2,310</u>	<u>286</u>	<u>1,440</u>	<u>12,399</u>	<u>16,435</u>
THE COMPANY					
COST					
At 1st February, 2000 and 31st January, 2001	38,000	43,410	39,540	197,300	318,250
DEPRECIATION					
At 1st February, 2000	35,690	43,124	39,252	196,056	314,122
Provided for the year	231	57	58	248	594
At 31st January, 2001	<u>35,921</u>	<u>43,181</u>	<u>39,310</u>	<u>196,304</u>	<u>314,716</u>
NET BOOK VALUES					
At 31st January, 2001	<u>2,079</u>	<u>229</u>	<u>230</u>	<u>996</u>	<u>3,534</u>
At 31st January, 2000	<u>2,310</u>	<u>286</u>	<u>288</u>	<u>1,244</u>	<u>4,128</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST JANUARY, 2001

15. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2001	2000
	HK\$	HK\$
Unlisted shares, at cost	256,114,116	256,114,116
Amounts due from subsidiaries	11,176,749	13,634,824
	<u>267,290,865</u>	<u>269,748,940</u>
Less: Provision for impairment loss	(231,998,323)	(231,998,323)
	<u>35,292,542</u>	<u>37,750,617</u>

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

Details of the Company's subsidiaries at 31st January, 2001 are as follows:

Name of subsidiary	Place of incorporation/operation	Proportion of nominal value of issued capital held by the Company directly	Paid up issued share capital	Principal activities
Ka Fai Land Investment Company Limited	Macau	82%	PTC\$60,000,000	Property development and trading
Buildmore Finance Limited	Hong Kong	100%	HK\$1,000,000	Inactive
Lloyd Bridge Investment (H.K.) Limited	Hong Kong	100%	HK\$100,000	Inactive

None of the subsidiaries had any loan capital outstanding at the end of the year.

16. INTERESTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	HK\$	HK\$	HK\$	HK\$
Unlisted shares, at cost	-	-	11,826,078	11,826,078
Share of net assets	11,399,331	11,643,227	-	-
	<u>11,399,331</u>	<u>11,643,227</u>	<u>11,826,078</u>	<u>11,826,078</u>
Amount due from an associate	4,977	4,977	4,977	4,977
	<u>11,404,308</u>	<u>11,648,204</u>	<u>11,831,055</u>	<u>11,831,055</u>

In the opinion of the Company's directors, the amount due from an associate will not be repayable in the next twelve months from the balance sheet date and, accordingly, the amount has been classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST JANUARY, 2001

16. INTERESTS IN ASSOCIATES - CONTINUED

Details of the Group's associates at 31st January, 2001 are as follows:

Name of associate	Place of incorporation/ operation	Proportion of nominal value of issued capital/ registered capital held by the Group	Principal activities
Property Developments Limited	British Virgin Islands/ Hong Kong	45%	Investment holding
Staten (Fujian) Real Estate Co., Ltd. (Note)	The People's Republic of China	45%	Property investment and development

Note: Staten (Fujian) Real Estate Co., Ltd. is a wholly-owned subsidiary of Property Developments Limited.

17. PROPERTIES UNDER DEVELOPMENT

	THE GROUP	
	2001	2000
	HK\$	HK\$
Land in Macau held under medium-term lease, at 1985 professional valuation	27,926,270	27,926,270
Net attributable land premium paid	4,223,891	4,223,891
Development expenditure, at cost	12,234,223	12,162,731
	<u>44,384,384</u>	<u>44,312,892</u>

Properties under development represents the Lisboa Garden Project (the "Project") which has not yet been completed. Pursuant to a joint venture agreement entered into between a joint venture partner and the Company's subsidiary, Ka Fai Land Investment Company Limited ("Ka Fai") in November 1989, the joint venture partner was responsible for, at its own cost, the construction of the Project with Ka Fai. In return, the joint venture partner was entitled to 60% of the net profit derived from the Project. However, as explained in note 27, in March 1995, Ka Fai terminated the joint venture agreement.

Under the terms of the revised lease contract entered into between the Macau Government and Ka Fai in June 1991, the Project was required to be completed on or before 21st June, 1995 which was subsequently extended to 31st December, 1995. However, because of the circumstances with respect to the termination of the joint venture agreement as described in note 27, the Group has applied for an extension of time for completion of the Project and was allowed a further extension of time to complete the Project once the legal case with the joint venture partner has been settled, subject to payment of certain fees.

During the year, no interest was capitalised to the Project as the development has been suspended.