

## Notes to the Financial Statements - Continued

FOR THE YEAR ENDED 31ST JANUARY, 2002

### 9. EMPLOYEES' EMOLUMENTS

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

	2002 HK\$	2001 HK\$
Salaries and other benefits	<u>72,840</u>	<u>72,840</u>

### 10. TAXATION

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

Details of the potential deferred tax credit not recognised for in the year are set out in note 23.

### 11. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK\$7,977,255 (2001: HK\$8,422,328) and on the weighted average number of ordinary shares of 82,785,168 (2001: 80,076,923) in issue during the year.

The computation of diluted loss per share did not assume the conversion of the Company's convertible preference shares as their conversion would result in a decrease in net loss per share.

### 12. INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
	2002 HK\$	2001 HK\$
At 1st February	9,700,000	10,850,000
Revaluation deficit	(1,720,000)	(1,150,000)
At 31st January	<u>7,980,000</u>	<u>9,700,000</u>

Investment properties were revalued at their open market value at 31st January, 2002 by Norton Appraisals Limited, an independent professional valuer, on an open market existing use basis. This valuation gave rise to a revaluation decrease of HK\$1,720,000 (2001: HK\$1,150,000). This amount 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. The Group's investment properties are leased out under operating leases.

# Notes to the Financial Statements - Continued

FOR THE YEAR ENDED 31ST JANUARY, 2002

## 13. PROPERTY, PLANT AND EQUIPMENT

	Air-conditioning system HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Computer system HK\$	Total HK\$
<b>THE GROUP</b>					
<b>COST</b>					
At 1st February, 2001	38,000	43,410	51,740	264,650	397,800
Disposals	-	-	(288)	-	(288)
At 31st January, 2002	38,000	43,410	51,452	264,650	397,512
<b>DEPRECIATION</b>					
At 1st February, 2001	35,921	43,181	50,588	254,731	384,421
Provided for the year	208	46	230	1,984	2,468
Eliminated on disposals	-	-	(288)	-	(288)
At 31st January, 2002	36,129	43,227	50,530	256,715	386,601
<b>NET BOOK VALUES</b>					
At 31st January, 2002	1,871	183	922	7,935	10,911
At 31st January, 2001	2,079	229	1,152	9,919	13,379
<b>THE COMPANY</b>					
<b>COST</b>					
At 1st February, 2001 and 31st January, 2002	38,000	43,410	39,540	197,300	318,250
<b>DEPRECIATION</b>					
At 1st February, 2001	35,921	43,181	39,310	196,304	314,716
Provided for the year	208	46	46	199	499
At 31st January, 2002	36,129	43,227	39,356	196,503	315,215
<b>NET BOOK VALUES</b>					
At 31st January, 2002	1,871	183	184	797	3,035
At 31st January, 2001	2,079	229	230	996	3,534

## Notes to the Financial Statements - Continued

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### 14. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2002 HK\$	2001 HK\$
Unlisted shares, at cost	256,114,116	256,114,116
Amounts due from subsidiaries	9,486,373	11,176,749
	<u>265,600,489</u>	<u>267,290,865</u>
Less: Impairment losses recognised	(231,998,323)	(231,998,323)
	<u>33,602,166</u>	<u>35,292,542</u>

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

Details of the Company's subsidiaries at 31st January, 2002 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 debt capital outstanding at the end of the year.

## Notes to the Financial Statements - Continued

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### 15. INTERESTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	HK\$	HK\$	HK\$	HK\$
Unlisted shares, at cost	-	-	11,826,078	11,826,078
Less: Impairment losses recognised	-	-	(5,500,000)	-
Share of net assets	6,225,212	11,399,331	-	-
	<u>6,225,212</u>	<u>11,399,331</u>	<u>6,326,078</u>	<u>11,826,078</u>
Amount due from an associate	4,977	4,977	4,977	4,977
	<u>6,230,189</u>	<u>11,404,308</u>	<u>6,331,055</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.

Details of the Group's associates at 31st January, 2002 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.*

## Notes to the Financial Statements - Continued

FOR THE YEAR ENDED 31ST JANUARY, 2002

### 16. PROPERTIES UNDER DEVELOPMENT

	THE GROUP	
	2002 HK\$	2001 HK\$
Land in Macau held under a 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	12,305,715	12,234,223
	<u>44,455,876</u>	<u>44,384,384</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.

### 17. PLEDGED BANK DEPOSITS

The Group's bank deposits of HK\$96,291 (2001: HK\$136,491) have been pledged to secure the payment of rent for land in Macau.

### 18. SUNDRY RECEIVABLES

The balance comprises:

	THE GROUP		THE COMPANY	
	2002 HK\$	2001 HK\$	2002 HK\$	2001 HK\$
Deposits and prepayment	822,136	574,349	265,016	243,740
Other receivables	11,445,965	11,445,965	-	-
	<u>12,268,101</u>	<u>12,020,314</u>	<u>265,016</u>	<u>243,740</u>
Provision for other receivables	(5,500,000)	(5,500,000)	-	-
	<u>6,768,101</u>	<u>6,520,314</u>	<u>265,016</u>	<u>243,740</u>

## Notes to the Financial Statements - Continued

FOR THE YEAR ENDED 31ST JANUARY, 2002

### 19. SUNDRY PAYABLES

The balance comprises:

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	HK\$	HK\$	HK\$	HK\$
Accrued charges and deposits received	763,972	2,725,492	662,656	1,116,746
Other payables	6,973,783	5,960,967	-	-
	<u>7,737,755</u>	<u>8,686,459</u>	<u>662,656</u>	<u>1,116,746</u>

### 20. BORROWINGS

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	HK\$	HK\$	HK\$	HK\$
Bank overdrafts				
Unsecured	2,010,871	1,933,038	2,010,871	1,891,485
Bank loans				
Secured	6,759,248	6,911,736	6,759,248	6,911,736
Shareholder's loan				
Unsecured	416,570	201,627	416,570	201,627
Other borrowings				
Unsecured	58,200	58,200	-	-
	<u>9,244,889</u>	<u>9,104,601</u>	<u>9,186,689</u>	<u>9,004,848</u>
The maturity of the above borrowings is as follows:				
On demand or within one year	2,673,727	2,306,714	2,615,527	2,206,961
More than one year, but not exceeding two years	196,481	115,092	196,481	115,092
More than two years, but not exceeding five years	643,651	407,904	643,651	407,904
More than five years	5,731,030	6,274,891	5,731,030	6,274,891
	<u>9,244,889</u>	<u>9,104,601</u>	<u>9,186,689</u>	<u>9,004,848</u>
Less: Amounts due within one year shown under current liabilities	(2,673,727)	(2,306,714)	(2,615,527)	(2,206,961)
	<u>6,571,162</u>	<u>6,797,887</u>	<u>6,571,162</u>	<u>6,797,887</u>

The shareholder's loan and other borrowings are non-interest bearing and have no fixed terms of repayment.