

# N O T E S   T O   T H E   A C C O U N T S (con't)

## 5 Directors' and Senior Management's Emoluments

### (a) Directors' emoluments

The aggregate amounts of emoluments payable to the directors of the Company during the year are as follows:

	2000	1999
	HK\$'000	HK\$'000
Fees	180	180
Other emoluments		
Salaries, housing and other allowances and benefits in kind	11,106	10,859
Discretionary bonuses	3,071	3,246
Contributions to pension schemes	540	529
	14,897	14,814
	14,897	14,814

The emoluments of the directors fell within the following bands:

Emoluments bands	Number of directors	
	2000	1999
Nil - HK\$1,000,000	4	4
HK\$4,500,001 - HK\$5,000,000	2	2
HK\$5,000,001 - HK\$5,500,000	1	1
	1	1
	1	1

Emoluments paid to independent non-executive directors for the year represented only directors' fees amounting to HK\$60,000 (1999: HK\$60,000).

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### (b) Emoluments of the five highest paid individuals

Details of the emoluments of the five highest paid individuals in the Group including 3 (1999: 3) directors are as follows:

	2000	1999
	HK\$'000	HK\$'000
Fees	72	72
Salaries, housing and other allowances, benefits in kind	13,304	12,988
Pensions	729	711
Bonuses	3,512	3,690
	17,617	17,461

The emoluments of the five highest paid individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2000	1999
Nil - HK\$1,000,000	1	1
HK\$1,500,001 - HK\$2,000,000	1	1
HK\$4,500,001 - HK\$5,000,000	2	2
HK\$5,000,001 - HK\$5,500,000	1	1

## 6 Retirement Benefit Costs

The Group contributes to a defined contribution retirement scheme which is available to certain Hong Kong senior employees ("Senior Staff Scheme"). With effect from 1st December 2000, a mandatory provident fund scheme has been set up for the other eligible employees of the Group in Hong Kong. Contributions to the schemes by the Group are made at a certain percentages of basic monthly salary. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions to these schemes are expensed as incurred. Contributions to the Senior Staff Scheme may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions and there was no contribution forfeited during the year (1999: Nil). Contributions totalling HK\$22,000 (1999: Nil) were payable to the schemes at the year end, which are included in trade and other payables.

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## 7 Taxation

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated profit and loss account represents:

	2000	1999
	HK\$'000	HK\$'000
Company and subsidiaries:		
Hong Kong profits tax	796	340
Under provision in prior years	1,255	-
10% 1997/98 Hong Kong profits tax rebate	-	(40)
	2,051	300
Share of overseas taxation attributable to jointly controlled entities	605	1,189
	2,656	1,489

## 8 Loss/Profit for the Year

Included in the loss/profit for the year is a profit of HK\$5,002,000 (1999: HK\$28,850,000) which is dealt with in the accounts of the Company.

## 9 Dividends

	2000	1999
	HK\$'000	HK\$'000
Final, proposed, of 10 HK cents (1999: 55 HK cents) per share	4,675	25,795
Overprovision of prior year final dividend on cancelled shares due to repurchase of shares before closure of the Register of Members	(72)	(132)
	4,603	25,663

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## 10 Loss/Earnings per Share

The calculation of loss/earnings per share is based on the loss for the year of HK\$19,876,000 (1999: profit of HK\$106,315,000) and the weighted average number of shares in issue during the year of 46,851,182 (1999: 47,248,515).

## 11 Fixed Assets

### Group

	Investment properties HK\$'000	Other properties HK\$'000	Others HK\$'000	Total HK\$'000
<b>Cost or valuation</b>				
At 1st January 2000	430,900	12,030	3,705	446,635
Additions	-	-	88	88
Revaluation deficit (Note 19)	(48,600)	-	-	(48,600)
Disposals	-	-	(10)	(10)
At 31st December 2000	382,300	12,030	3,783	398,113
<b>Accumulated depreciation</b>				
At 1st January 2000	-	5,054	1,623	6,677
Charge for the year	-	360	656	1,016
Disposals	-	-	(8)	(8)
At 31st December 2000	-	5,414	2,271	7,685
<b>Net book value</b>				
At 31st December 2000	382,300	6,616	1,512	390,428
At 31st December 1999	430,900	6,976	2,082	439,958

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## 11 Fixed Assets (con't)

Investment properties are stated at valuation and were revalued as at 31st December 2000 and 1999 by Prudential Surveyors International Limited, an independent professional valuer, on an open market value basis. Other fixed assets are stated at cost.

The Group's interests in investment properties and other properties at their net book value are analysed as follows:

	Investment properties		Other properties	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
In Hong Kong, held on:				
Leases of over 50 years	12,300	14,900	-	-
Leases of between 10 to 50 years	370,000	416,000	2,506	2,720
Outside Hong Kong, held on:				
Leases of over 50 years	-	-	560	581
Leases of between 10 to 50 years	-	-	3,550	3,675
	<u>382,300</u>	<u>430,900</u>	<u>6,616</u>	<u>6,976</u>

The Group's investment properties with an aggregate carrying value of HK\$370,000,000 (1999: HK\$416,000,000) have been mortgaged to banks to secure general banking facilities. None of the facilities was utilised as at 31st December 2000 and 1999.

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## 12 Investments in Subsidiaries

	Company	
	2000	1999
	HK\$'000	HK\$'000
Unlisted shares, at cost	378,782	378,782
Amount due from a subsidiary	39,155	36,962
	417,937	415,744

The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment.

Particulars of subsidiaries are included in note 25.

## 13 Investments in Jointly Controlled Entities

	Group	
	2000	1999
	HK\$'000	HK\$'000
Share of net assets	74,891	71,197
Amount due from a jointly controlled entity	-	1,501
Amounts due to jointly controlled entities	(3,350)	(15)
	71,541	72,683

The amounts due from/to jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.

The following is a list of the jointly controlled entities as at 31st December 2000 and 1999:

Name	Place of establishment and operation	Principal activities
Shanghai Sung Nan Textile Co Ltd (Note a)	People's Republic of China	Textile manufacturing
Southern Textile Company Limited (Note b)	People's Republic of China	Property investment and investment holding

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## 13 Investments in Jointly Controlled Entities (con't)

- (a) The Group has a 64.68% interest in ownership and profit sharing and a 57% interest in voting power in Shanghai Sung Nan Textile Co Ltd.

A summary of its audited financial information for the years ended 31st December 2000 and 1999 is as follows:

Results for the year

	2000 HK\$'000	1999 HK\$'000
Turnover	<u>107,853</u>	<u>121,414</u>
Operating profit	3,718	5,121
Taxation	(81)	(1,133)
Profit after taxation	<u>3,637</u>	<u>3,988</u>
Net assets		
	2000 HK\$'000	1999 HK\$'000
Fixed assets	96,512	101,459
Current assets	59,659	67,402
Current liabilities	(6,774)	(29,765)
Long term liabilities	(18,763)	(9,295)
	<u>130,634</u>	<u>129,801</u>

- (b) The Group has a 45% interest in ownership and profit sharing and a 43% interest in voting power in Southern Textile Company Limited.

## 14 Non-trading Investments

	Group	
	2000 HK\$'000	1999 HK\$'000
Equity securities, at fair value		
Listed in Hong Kong	6,826	8,030
Unlisted	46,098	87,877
	<u>52,924</u>	<u>95,907</u>