

Notes to Financial Statements

31st July, 2000

18. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ place of operations	Issued/ registered capital	Class of shares held	Equity interest attributable to the Company		Principal activities
				Direct (%)	Indirect (%)	
Crocodile Development Limited	Hong Kong	HK\$9,996 HK\$4	Ordinary Deferred	—	100.00	Property investment
Deckwell Technology Limited	British Virgin Islands/ Hong Kong	US\$200	Ordinary	—	30.29	Investment holding
Diamond String Limited	Hong Kong	HK\$10,000	Ordinary	—	65.00	Hotel investment and restaurant operations
eSun Holdings Limited (formerly known as Lai Sun Hotels International Limited)	Bermuda/ Hong Kong	HK\$188,528,309	Ordinary	44.93	5.55	Investment holding
Express.com Group Limited	British Virgin Islands	US\$100	Ordinary	—	50.48	Investment holding
Fordspace Development Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Investment holding
Furama Hotel Enterprises Limited	Hong Kong	HK\$102,880,454	Ordinary	—	100.00	Hotel operations

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18. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ place of operations	Issued/ registered capital	Class of shares held	Equity interest attributable to the Company		Principal activities
				Direct (%)	Indirect (%)	
Gilroy Company Limited	Hong Kong	HK\$10,000	Ordinary	100.00	—	Property investment
Golden Decade Limited	Hong Kong	HK\$35	Ordinary	—	47.60	Investment Holding
Good Strategy Limited #	British Virgin Islands/ Hong Kong	US\$1	Ordinary	—	74.49	Investment holding
Guangzhou Jieli Real Estate Development Company Limited #	People's Republic of China	HK\$168,000,000	*	—	**74.49	Property development and investment
Guangzhou Gongbird Property Development Limited#	People's Republic of China	US\$22,160,000	*	—	**74.49	Property development and investment
Guangzhou Grand Wealth Properties Limited #	People's Republic of China	HK\$138,000,000	*	—	**74.49	Property development and investment
Heathfield Limited	British Virgin Islands/ Canada	US\$100	Ordinary	—	50.48	Hotel investment
Houseman International Limited	British Virgin Islands/ Hong Kong	US\$42	Ordinary	—	50.48	Investment holding
Kolot Property Services Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Property management

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18. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ place of operations	Issued/ registered capital	Class of shares held	Equity interest attributable to the Company		Principal activities
				Direct (%)	Indirect (%)	
Lai Fung Holdings Limited #	Cayman Islands	HK\$104,711,359	Ordinary	74.49	—	Investment holding
Lai Fung Overseas Finance Limited #	Cayman Islands	HK\$0.2	Ordinary	—	74.49	Bond issue
Lai Sun International Finance (Cayman Islands) Limited	Cayman Islands	US\$2	Ordinary	100.00	—	Bond issue
Lai Sun International Finance (1997) Limited	Cayman Islands	US\$2	Ordinary	100.00	—	Bond issue
Lai Sun Real Estate Agency Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Property management and real estate agency
Lucky Strike Investment Limited	Hong Kong	HK\$10,000	Ordinary	100.00	—	Property investment
Lycon Investment Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Investment holding
Maxgear Investment Limited	Hong Kong	HK\$100	Ordinary	—	100.00	Property investment
Milirich Investment Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Property investment
Peakflow Profits Limited	British Virgin Islands/ Hong Kong	US\$1	Ordinary	100.00	—	Investment holding

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18. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ place of operations	Issued/ registered capital	Class of shares held	Equity interest attributable to the Company		Principal activities
				Direct (%)	Indirect (%)	
Rich Internet Limited	British Virgin Islands/ Hong Kong	US\$100	Ordinary	—	50.48	Investment holding
Shanghai Li Xing Real Estate Development Company Limited #	People's Republic of China	US\$36,000,000	*	—	67.04	Property investment
Shanghai Wa Yee Real Estate Development Co., Ltd. #	People's Republic of China	US\$10,000,000	*	—	70.76	Property development and investment
Sinoking Investment Limited	Hong Kong	HK\$2	Ordinary	—	100.00	Property investment
Smart Leader Limited	British Virgin Islands/ Hong Kong	US\$1	Ordinary	100.00	—	Investment holding
Sunlite Investment Limited #	Hong Kong	HK\$2	Ordinary	—	74.49	Investment holding
Surearn Profits Limited	British Virgin Islands/ Hong Kong	US\$1	Ordinary	—	100.00	Investment holding
Top Town Enterprises Limited	Hong Kong	HK\$1,000	Ordinary	—	100.00	Property investment

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18. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ place of operations	Issued/ registered capital	Class of shares held	Equity interest attributable to the Company		Principal activities
				Direct (%)	Indirect (%)	
Transformation International Limited	British Virgin Islands/ Hong Kong	US\$1	Ordinary	100.00	—	Investment holding
Vutana Trading Investment (No. 2) Limited	British Virgin Islands/ Hong Kong	US\$1	Ordinary	—	100.00	Investment holding
World Classic Development Limited	Hong Kong	HK\$2	Ordinary	100.00	—	Property investment

Audited by public accountants other than Ernst & Young.

* These subsidiaries have registered rather than issued share capital.

** These subsidiaries are co-operative joint ventures of which the partners' profit sharing ratios and the distribution of net assets upon the expiration of the joint venture periods are not in proportion to their equity ratios but are as defined in the joint venture contracts.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group at the balance sheet date. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The subsidiaries acquired and disposed of during the year did not have any material effect on the Group's turnover or loss after tax.

The entire holdings by the Company of 779,958,912 shares of Lai Fung Holdings Limited ("Lai Fung") and 942,813,306 shares out of the 951,709,306 shares of eSun held by the Group and shares of certain other subsidiaries held by the Group have been pledged to banks to secure banking facilities granted to the Group.

Certain of the Group's subsidiaries had the following connected transactions during the year and subsequent to the year end date.

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18. INTERESTS IN SUBSIDIARIES (continued)

- (1) On 11th February, 1999, the Company and its wholly-owned subsidiary, Furama, entered into an agreement (the “Redevelopment Agreement”) with eSun and its wholly-owned subsidiary, Golden Pool Enterprises Limited (“GPEL”), with respect to the redevelopment of the Furama Hotel, which is a property situated in Hong Kong. Pursuant to the Redevelopment Agreement, the Furama Hotel would be redeveloped into a composite retail, hotel and office building (the “New Building”). Upon the completion of the redevelopment of the New Building, GPEL would purchase the hotel portions (the “Hotel Portions”) from Furama for a consideration of HK\$1,900 million. The consideration for the Hotel Portions was fully paid by GPEL to Furama in the form of a deposit of approximately HK\$965 million (the “Deposit”) and a prepayment of approximately HK\$935 million (the “Prepayment”) during the year ended 31st July, 1999. According to the Redevelopment Agreement, the Deposit was interest-bearing with interest charged at the higher of 8% or LIBOR plus 2% per annum, and the Prepayment bore interest at the three-month deposit rate offered by eSun’s principal bank plus 1% per annum.

On 27th July 2000, Furama entered into an agreement (the “Hotel Disposal Agreement”), overriding, in all respects, an agreement that was entered into on 27th March, 2000, to dispose of the Furama Hotel, the hotel property and all the fittings, furniture and operating equipment in the property at a total consideration of HK\$2,893,374,000 to Bayshore Development Group Limited (“Bayshore”), a company which is 65% beneficially owned by independent third parties, and 35% beneficially owned by Peakflow Profits Limited, a wholly-owned subsidiary of the Company. The completion of the Hotel Disposal Agreement was subject to the cancellation of Redevelopment Agreement. The Redevelopment Agreement was effectively cancelled on 29th June, 2000 upon approval by the shareholders of the Company and eSun. The Hotel Disposal Agreement was completed on 31st July, 2000.

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As a result of the cancellation of the Redevelopment Agreement, the Deposits and Prepayment of HK\$1,900 million became immediately due to GPEL, of which approximately HK\$400 million was settled as further detailed in (3) below. An intercompany debt deed was entered into by the Company, eSun, Furama and GPEL on 30th June, 2000 (the “Debt Deed”), pursuant to which eSun agreed to defer the settlement of the remaining HK\$1,500 million to the earlier of 31st December, 2002 or the day on which the Exchangeable Bonds (note 30) and Convertible Bonds 2002 (note 33) are repaid in full. eSun also received additional security as further detailed in note 30(4). The outstanding balance of HK\$1,500 million is interest-bearing with interest charged at 5% per annum.

As at 1st June, 2000, the Company beneficially owned approximately 52.06% of the issued share capital of eSun. The transaction, therefore, constituted a connected transaction for the Company and eSun as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). A joint announcement was made by the Company and eSun on 1st June, 2000 regarding details of the above transactions and of the Reorganisation Agreement as referred to in (3) below. Also, the transactions were approved by the independent shareholders of the Company and eSun at their respective extraordinary general meetings held on 29th June, 2000.

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18. INTERESTS IN SUBSIDIARIES (continued)

(2) On 14th March, 2000, the respective boards of directors of the Company, Lai Sun Garment (International) Limited (“LSG”) and eSun jointly announced that on 10th March, 2000, Houseman International Limited (“Houseman”), which is owned by eSun and the Company in equal shares, entered into an agreement with Asia Television Limited (“ATV”), to acquire 50% of the issued share capital of HKATV.com Limited (“HKATV.com”) for a total consideration of approximately HK\$300 million comprising:

- (i) HK\$150,000,000 in cash; and
- (ii) 210,000,000 new ordinary shares of the Company with an ascribed issue price of approximately HK\$0.71 per share.

The consideration was negotiated between ATV and the Company and eSun.

The directors of the Company considered that the acquisition of HKATV.com will allow the Group to participate directly in ATV’s Internet activities. Such investment fits into the strategy of the Group to secure an Internet entertainment hub catering for the Chinese-speaking population globally.

As at 10th March, 2000, LSG, together with its associates, and Mr. Lim Por Yen, Mr. Lam Kin Ngok, Peter and Mr. Lam Kin Ming and their respective associates (together the “Lim Family”) beneficially owned approximately 50.66% of the issued share capital of the Company which in turn beneficially owned approximately 52.06% of the issued share capital of eSun. The Lim Family and the Company beneficially owned approximately 16.08% and 16.67%, respectively, of the issued share capital of ATV. Accordingly, the agreement and the transaction contemplated thereunder constituted a connected transaction for each of LSG, the Company and eSun as defined under the Listing Rules. The transaction was approved by the independent shareholders of each of the companies on 28th April, 2000.

(3) On 1st June, 2000, the Company and eSun entered into a reorganisation agreement (the “Reorganisation Agreement”). Pursuant to the Reorganisation Agreement, the Company transferred certain technology-oriented assets with an aggregate value of approximately HK\$1,085 million to eSun and, at the same time, eSun transferred certain hotel and ancillary assets with an aggregate value of approximately HK\$685 million to the Company. The consideration for both the technology-oriented assets and the hotel and ancillary assets were determined based on the adjusted net asset values of these assets by reference to the valuations performed by independent professional valuers in respect of the open/fair market value, as at 26th May, 2000, except for certain listed investments transferred by the Company to eSun, which were based on the average closing price of such investments for the past 30 business days immediately preceding 2nd June, 2000 plus a premium of 11.4%. The excess consideration of approximately HK\$400 million payable by eSun to the Company in respect of such asset transfer was deducted from the outstanding principal amount of indebtedness, in the amount of HK\$1,900 million, which Furama otherwise owed to GPEL as a result of the cancellation of the Redevelopment Agreement as detailed in (1) above.

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18. INTERESTS IN SUBSIDIARIES (continued)

As a result of the reorganisation, the Company continues to focus on the business of the development of and investment in properties as well as investment in and operation of hotels and restaurants, whereas eSun becomes a technology-oriented company. The directors of both the Company and eSun considered that such reorganisation would be in the best interests of both the Company and eSun.

As at 1st June, 2000, the Company beneficially owned approximately 52.06% of the issued share capital of eSun. The transaction, therefore, constituted a connected transaction for the Company and eSun as defined under the Listing Rules. The transaction was approved by the independent shareholders of the Company and eSun at their respective extraordinary general meetings held on 29th June, 2000.

- (4) On 9th June, 2000, Goldmay Development Limited (“Goldmay”), a wholly-owned subsidiary of the Company, entered into a loan agreement with Vineburg Finance Limited (“Vineburg”), a company indirectly controlled by Mr. Chen Din Hwa (“Mr. Chen”), a substantial shareholder of the Company. Pursuant to the loan agreement, Vineberg agreed to make available to Goldmay a term loan facility (“Facility”) of up to HK\$43 million, which is secured by the property under development owned by Goldmay. The Facility bears interest at prime rate plus 2.5% per annum and is repayable within one year. Goldmay had drawn down an amount of approximately HK\$24 million under the Facility as at 31st July, 2000, which was mainly used for refinancing the development cost of the property.

As at 9th June, 2000, Mr. Chen owned 20.86% of the issued share capital of the Company. Therefore, this transaction constituted a connected transaction under the Listing Rules. An announcement was made by the directors of the Company on 9th June, 2000 regarding the transaction. The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting held on 5th July, 2000.

- (5) Pursuant to an agreement dated 27th August, 1999, Shanghai Li Xing Real Estate Development Company Limited (“Li Xing”), a subsidiary of Lai Fung leased certain units of the North Tower of Hong Kong Plaza, a property situated in Shanghai, PRC, to Bank of China (“BOC”) for a term of ten years commencing on 1st November 1999 and expiring on 31st October 2009. The rental was US\$19,503 per month and the service charge was initially US\$6,999 per month. The rental income would be increase by 10% in the fourth year and again in the seventh year of the tenancy or otherwise agreed between Li Xing and BOC.

The rental agreements was entered into based on negotiations between Lai Fung/Li Xing and BOC. The leased properties was used by BOC as office premises or business use.

The rental income received from BOC during the year is approximately HK\$1,860,000.

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18. INTERESTS IN SUBSIDIARIES (continued)

- (6) The Company, LSG and Lai Fung jointly announced on 14th October, 1999 that Li Xing entered into a conditional loan agreement (the “Loan”) with BOC on 30th September, 1999, whereby BOC agreed to extend a loan in an amount of RMB80,000,000 to Li Xing for its repayment of bank borrowings and settlement of construction costs. The Loan is secured by the first four floors of the North Tower of Hong Kong Plaza.

BOC, being one of the principal banks of Lai Fung, is expected to continue to provide secured loan financing (“Financing Transactions”) and other financial and banking services (“Other Transactions”) to Lai Fung. Such transactions, if entered into, may constitute connected transactions for Lai Fung in accordance with the Listing Rules (for reasons detailed below), and may need certain prescribed disclosure and/or prior approval of the shareholders of the Company, Lai Fung and LSG.

On this basis, it was proposed that Lai Fung’s entering into any future Financing Transactions or Other Transactions with BOC, which are expected to be entered into in the ordinary course of business of Lai Fung, be subject to the following maximum limits:

- (a) the aggregate amount of all loans outstanding under any Financing Transactions should not to exceed 70% of the consolidated net tangible assets of Lai Fung as published in its latest audited financial statements; and
- (b) the aggregate amount of all fees payable by Lai Fung in respect of any Other Transactions in any financial year of Lai Fung not to exceed 3% of the consolidated net tangible assets of Lai Fung as published in its latest audited financial statements.

As further detailed in note 36(b), Sun Chung Real Estate Company Limited (“Sun Chung”) holds an Option (as defined in note 36(b)) to purchase shares in Lai Fung. Sunny Group Investment Limited (the “Sunny Group”) is the holder of the Convertible Note (note 34). Both Sun Chung and Sunny Group are wholly-owned subsidiaries of BOC. In the opinion of the directors, the BOC Group is deemed to be a connected person of the Company, Lai Fung and LSG and hence the above two transactions constituted connected transactions for the Company, Lai Fung and LSG. Lai Fung had been granted a waiver by the Stock Exchange from the strict compliance with the requirements of Chapter 14 of the Listing Rules and the above two transactions were approved by the respective independent shareholders of the Company, Lai Fung and LSG in their respective extraordinary meetings on 30th October, 1999. The following bank loans have also been granted by BOC:

- (i) On 1st September, 1998, Guangzhou Grand Wealth Properties Limited (“GZ Grand Wealth”) entered into a loan agreement with BOC, whereby BOC agreed to extend a loan in an amount of RMB120,000,000 to GZ Grand Wealth for its settlement of construction costs. The loan bears interest at prevailing market rate and was secured by the completed properties developed for sale of Eastern Place Phase II. As at the balance sheet date, RMB30,000,000 of the loan was outstanding.

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18. INTERESTS IN SUBSIDIARIES (continued)

- (ii) On 30th December, 1999, Lai Fung entered into a bridging loan agreement (“Bridging Loan Agreement”) with BOC, whereby BOC agreed to extend a bridging loan in an amount of HK\$50,000,000 to Lai Fung for its payment of interest for the Convertible Note. The bridging loan bore interest at prevailing market rate and was secured by 181 units of service apartments of Hong Kong Plaza. On 30th June, 2000, Lai Fung entered into a restated loan agreement (“Restated Loan Agreement”) with BOC, whereby BOC agreed to extend a loan facility in an amount of HK\$150,000,000 to Lai Fung. This Restated Loan Agreement replaced the Bridging Loan Agreement in its entirety and bears interest at prevailing market rate. The loan facility was secured by shares charges of Good Strategy Limited and Sunlite Investment Limited (“Sunlite”), a wholly owned subsidiary of Lai Fung, and 181 units of service apartments of Hong Kong Plaza. As at the balance sheet date, HK\$50,000,000 of the loan facility had been utilised.
- (iii) On 19th June, 2000, Guangzhou Jieli Real Estate Development Co., Ltd. (“GZ Jieli”) entered into a loan agreement with BOC, whereby BOC agreed to extend a loan in an amount of RMB250,000,000 to GZ Jieli for its settlement of construction costs. The loan bears interest at prevailing market rate and is secured by the whole property under development of New Trend Plaza. As at the balance sheet date, RMB50,000,000 of the loan facility had been utilised.
- (7) The directors of each of the Company, Lai Fung and LSG jointly announced on 22nd January, 2000 that on 20th January, 2000, Sunlite had entered into three conditional agreements relating to the acquisition of further interests in its non-wholly owned subsidiaries, namely Li Xing, Shanghai Lai Fung Dept. and Shanghai HKP, from Shanghai Grand and Shanghai Central City, as defined below, and that on the same date, Creat Master, (as defined below) had entered into two conditional agreements relating to the disposal of its interest in its non-wholly owned subsidiary, namely Shanghai ZY, to Shanghai Central City (as defined below).
- (i) On 20th January, 2000, Sunlite entered into a conditional agreement with Shanghai Grand Development Co. Ltd. (“Shanghai Grand”) and Shanghai Central City Real Estate Corporation Ltd. (“Shanghai Central City”) relating to Li Xing whereby Sunlite as purchaser agreed to purchase (1) from Shanghai Grand a 10% equity interest in, and a shareholder’s loan in the sum of RMB48,510,972 (equivalent to HK\$45,405,253) and a capital pension contribution in the sum of RMB5,932,191 (equivalent to HK\$5,552,406) to, Li Xing at the total consideration of RMB55,853,288 (equivalent to HK\$52,277,506); and (2) from Shanghai Central City a 14% equity interest in, and a shareholder’s loan in the sum of RMB5,133,111 (equivalent to HK\$4,804,484) and a capital pension contribution in the sum of RMB8,951,854 (equivalent to HK\$8,378,748) to, Li Xing at the total consideration of RMB78,206,610 (equivalent to HK\$73,199,747).

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18. INTERESTS IN SUBSIDIARIES (continued)

- (ii) On 20th January, 2000, Sunlite entered into a conditional agreement with Shanghai Grand and Shanghai Central City relating to Shanghai Lai Fung Department Store Co., Ltd. ("Shanghai Lai Fung Dept.") whereby Sunlite as purchaser agreed to purchase (1) from Shanghai Grand a 10% equity interest in Shanghai Lai Fung Dept. at the consideration of RMB4,146,713 (equivalent to HK\$3,881,236); and (2) from Shanghai Central City a 14% equity interest in Shanghai Lai Fung Dept. at the consideration of RMB5,805,820 (equivalent to HK\$5,434,125).
- (iii) On 20th January, 2000, Sunlite entered into a conditional agreement with Shanghai Grand and Shanghai Central City relating to Shanghai HKP Property Management Co., Ltd. ("Shanghai HKP") whereby Sunlite as purchaser agreed to purchase (1) from Shanghai Grand a 10% equity interest in Shanghai HKP at the consideration of RMB124,200 (equivalent to HK\$116,249); and (2) from Shanghai Central City a 14% equity interest in Shanghai HKP at the consideration of RMB173,866 (equivalent to HK\$162,735).
- (iv) On 20th January, 2000, Creat Master Limited ("Creat Master") entered into the following two conditional agreements with Shanghai Central City in relation to the disposal by Creat Master of all its interests in Shanghai Zhongyue Real Estate Development Co., Ltd. ("Shanghai ZY") to Shanghai Central City.
- (a) Creat Master conditionally agreed to assign all the rights and interest in its unsecured shareholder's loan to Shanghai ZY in the sum of RMB56,157,475 (equivalent to HK\$52,562,219) to Shanghai Central City at a consideration equal to such loan ("Loan Disposal Agreement"). The consideration shall be paid in cash upon completion of the Loan Disposal Agreement.
- (b) Creat Master conditionally agreed to sell its 85% equity interest in Shanghai ZY to Shanghai Central City at a consideration of RMB56,342,823 (equivalent to HK\$52,735,701) (the "Equity Disposal Agreement"). A deposit in the sum of RMB39,381,112 (equivalent to HK\$36,859,895) should be paid in cash by Shanghai Central City upon completion of the Equity Disposal Agreement and the balance of the consideration in the sum of RMB16,961,712 (equivalent to HK\$15,875,806) (the "Balance") should be paid in cash within one year after the date of completion of the Equity Disposal Agreement. The Balance bears interest of 7% per annum, accruing from the date of completion of the Equity Disposal Agreement to the date of the actual payment. This payment obligation is secured by charging the land use right of plot No. 74-1 situated in Luwan District which is currently owned by Shanghai ZY.

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18. INTERESTS IN SUBSIDIARIES (continued)

Shanghai Li Xing, Shanghai Lai Fung Dept., Shanghai HKP and Shanghai ZY are indirect subsidiaries of Lai Fung. Shanghai Grand and Shanghai Central City are connected persons of Lai Fung by virtue of them each being a substantial shareholder of Shanghai Li Xing, Shanghai Lai Fung Dept. and Shanghai HKP, and also Shanghai Central City being a substantial shareholder of Shanghai ZY under the Listing Rules. Accordingly, the entering into the above agreements constituted connected transactions for Lai Fung and also for the Company and LSG by virtue of Lai Fung being a subsidiary of the Company, which in turn was a subsidiary of LSG, and required approval by the respective shareholders of LSG, the Company and Lai Fung.

The transactions were approved by the shareholders of LSG at the extraordinary general meeting held on 10th March, 2000, LSG and the Lim Family collectively being beneficial shareholder of more than 50% of the issued share capital of the Company issued their written confirmation to the Company in lieu of shareholders approval at a general meeting of the Company. The Company beneficially held a 74.49% shareholding in Lai Fung in turn issued its written confirmation to Lai Fung in lieu of shareholders approval at a general meeting of Lai Fung.

19. INTERESTS IN ASSOCIATES

	Group		Company	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unlisted shares, at cost	—	—	18,134	18,634
Share of net assets/(liabilities), other than goodwill	(357,889)	63,563	—	—
Unamortised goodwill	26,595	31,741	—	—
	(331,294)	95,304	18,134	18,634
Amounts due from associates	2,582,235	1,477,255	329,186	479,049
Amounts due to associates	(80,575)	(102,805)	—	—
	2,170,366	1,469,754	347,320	497,683
Provisions for diminutions in values	(205,523)	(343,223)	(133,875)	(234,610)
	1,964,843	1,126,531	213,445	263,073

The balances due by associates to the Group are unsecured, interest-free and have no fixed terms of repayment, except for an amount of HK\$382,425,000 (1999: HK\$377,168,000) due from associates which bore interest at the prevailing market rate. The balance due by associates to the Company are unsecured, interest-free and have no fixed terms of repayment.