

12 SUBSIDIARY COMPANIES

	COMPANY	
	2000 HK\$'000	1999 HK\$'000
Unlisted shares, at cost	2,250	12,828
Amounts receivable	941,793	815,093
Amounts payable	(254,612)	(272,063)
	689,431	555,858
Provisions	(460,440)	(443,400)
	228,991	112,458

The amounts receivable and payable are unsecured, interest free and have no fixed terms of repayment.

Particulars of the principal subsidiary companies are as follows:

Name	Place of incorporation/ operation	Percentage of attributable equity interest		Issued and paid up share capital	Principal activities
		2000	1999		
Barraza Company Limited	Hong Kong	100	100	HK\$2	Provision of secretarial services
Echo Peak Investment Limited	Hong Kong	100	100	HK\$10,000	Property investment
Ever Global Technology (Beijing) Limited	China	100	–	US\$150,000	Information system development
Ever Global Technology Limited	Hong Kong	100	–	HK\$2	Investment holding
Flowax Company Limited	Hong Kong	100	100	HK\$2	Property investment
Jolica Limited	Hong Kong	100	100	HK\$9,998	Property investment
Keenland Company Limited	Hong Kong	100	100	HK\$100,100	Property investment
Lead Top Development Limited *	Hong Kong	100	100	HK\$2	Investment holding

12 SUBSIDIARY COMPANIES (Continued)

Name	Place of incorporation/ operation	Percentage of attributable equity interest		Issued and paid up share capital	Principal activities
		2000	1999		
Sebasto Investment Company Limited *	Hong Kong	60	60	HK\$100	Investment holding
Silver Shore Company Limited	Hong Kong	100	90	HK\$200,000	Property investment
Springdale Investment Company Limited	Hong Kong	100	100	HK\$100,000	Property investment
Sunberry Investments Limited	British Virgin Islands/ Hong Kong	100	–	US\$1	Investment holding
Tak Swi Investment Limited *	Hong Kong	100	100	HK\$3,900,002	Investment holding
Tak Wing Engineering (China) Limited	Hong Kong	–	100	HK\$2	Investment holding
U-Cyber Construction (Holdings) Limited (Formerly Tak Wing Construction (Holdings) Limited) *	Hong Kong	100	100	HK\$20	Investment holding
U-Cyber Investment Holdings (China) Limited (Formerly Tak Wing Investment Holdings (China) Limited)	Hong Kong	100	100	HK\$20	Investment holding
U-Cyber Property (Holdings) Limited (Formerly Tak Wing Property (Holdings) Limited) *	Hong Kong	100	100	HK\$10,000	Investment holding
U-Cyber Property Development Company Limited (Formerly Tak Wing Property Development Company Limited)	Hong Kong	100	100	HK\$2	Investment holding

12 SUBSIDIARY COMPANIES (Continued)

Name	Place of incorporation/ operation	Percentage of attributable equity interest		Issued and paid up share capital	Principal activities
		2000	1999		
U-Cyber Property Investment Company Limited (Formerly Tak Wing Property Investment Company Limited)	Hong Kong	100	100	HK\$2	Investment holding
U-Cyber Property Management Company Limited (Formerly Tak Wing Property Management Company Limited)	Hong Kong	100	100	HK\$2	Investment holding
Vicfont Company Limited	Hong Kong	100	100	HK\$2	Property development
Wealthy Reference Company Limited	Hong Kong	60	60	HK\$10,000	Property management
Winnerhill Enterprises Limited *	Hong Kong	100	100	HK\$200,000	Financing
Wan Hin Holdings (North America) Inc	Canada	–	100	C\$10	Investment holding
928316 Ontario Inc	Canada	–	100	C\$100	Property development
956881 Ontario Inc	Canada	–	83	C\$1,000	Property development
Yorkland Investments Inc	Republic of Liberia/Canada	–	100	US\$200	Investment holding

* Subsidiary companies directly held by the Company.

Notes to the Accounts (Continued)

For the year ended 31st December 2000

13 JOINTLY CONTROLLED ENTITIES

	GROUP	
	2000 HK\$'000	1999 HK\$'000
Share of net assets	74,415	74,124
Amounts receivable	<u>32,188</u>	<u>30,807</u>
	<u>106,603</u>	<u>104,931</u>

The amounts receivable are unsecured, interest free and have no fixed terms of repayment.

Particulars of the principal jointly controlled entities are as follows:

Name	Place of incorporation/ operation	Percentage of attributable equity interest		Principal activities
		2000	1999	
Beijing Glory Real Estate Development Company Limited	China	50	50	Property development
Beijing Long Quan Hotel Limited	China	32	32	Hotel operation

A summary of the financial information of a significant jointly controlled entity, Beijing Glory Real Estate Development Company Limited, is set out as follows:

	2000 HK\$'000	1999 HK\$'000
Results for the year		
Turnover	<u>—</u>	<u>6,970</u>
Profit for the year	<u>197</u>	<u>6,110</u>
Group's share of profit for the year	<u>98</u>	<u>3,055</u>
Net assets at the end of the year		
Non-current assets	546	705
Current assets	409,903	404,944
Current liabilities	<u>(286,336)</u>	<u>(281,733)</u>
Net assets	<u>124,113</u>	<u>123,916</u>
Group's share of net assets	<u>62,056</u>	<u>61,958</u>

14 ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Share of net assets	80,749	2,593	–	–
Amounts receivable	1,745	1,689	65	–
	82,494	4,282	65	–
Investments at cost				
Unlisted shares	1	1	–	–
Listed shares in Hong Kong	80,900	–	–	–
	80,901	1	–	–
Market value of listed shares	57,552	–	–	–

The amounts receivable are unsecured, interest free and have no fixed terms of repayment.

Particulars of the associated companies are as follows:

Name	Place of incorporation/ operation	Percentage of attributable equity interest		Principal activities
		2000	1999	
Beijing Zhu Wing Engineering Company Limited	China	–	25	Interior decoration
Grand Advance Investments Limited	Hong Kong	50	50	Property investment
Grand Sparkle Investments Limited	Hong Kong	50	50	Property investment
INNOMAXX Biotechnology Group Limited (Formerly GITIC Enterprises Limited)	Bermuda / Hong Kong	32	–	Investment holding
Zhong Hang Yu (H.K.) Limited	Hong Kong	50	–	Investment holding

Notes to the Accounts (Continued)

For the year ended 31st December 2000

14 ASSOCIATED COMPANIES (Continued)

A summary of the financial information of a significant associated company, INNOMAXX Biotechnology Group Limited, is set out as follows:

	2000 HK\$'000	1999 HK\$'000
Results for the year		
Turnover	<u>18,255</u>	<u>97,285</u>
Loss for the year	<u>(4,265)</u>	<u>(79,985)</u>
Group's share of loss for the year	<u>(1,979)</u>	<u>—</u>
Net assets at the end of the year		
Fixed assets	191,404	189,255
Current assets	65,055	81,549
Current liabilities	<u>(4,899)</u>	<u>(14,979)</u>
Net assets	<u>251,560</u>	<u>255,825</u>
Group's share of net assets	<u>80,725</u>	<u>—</u>

15 LONG-TERM INVESTMENTS

	GROUP		COMPANY	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Club debentures, at cost	<u>1,942</u>	<u>1,250</u>	<u>1,942</u>	<u>2,250</u>

16 PROPERTIES HELD FOR SALE

	GROUP	
	2000 HK\$'000	1999 HK\$'000
Properties under development	—	3,362
Completed properties	<u>9,940</u>	<u>9,940</u>
	<u>9,940</u>	<u>13,302</u>

The completed properties are carried at estimated realisable value based on professional valuations made by RHL Appraisal Limited, an independent valuer, on 31st December 2000 on an open market basis. These properties have been pledged for general banking facilities granted to the Group.

17 DEBTORS AND PREPAYMENTS

	GROUP		COMPANY	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Other debtors	532	592	–	–
Loan receivable (note a)	14,570	14,570	–	–
Amount due from a related company (note b)	–	1,443	–	1,443
Deposits and prepayments	2,917	1,058	2,127	152
	<u>18,019</u>	<u>17,663</u>	<u>2,127</u>	<u>1,595</u>

- (a) The loan receivable represents the balance of advances made to a former sub-contractor of the Group. The advances carry interest at 1.5% per annum above prime rate and are secured by fixed and floating charges over the undertakings and all properties, assets and rights of the sub-contractor. The sub-contractor has since been in receivership and in liquidation and therefore no further interest has been accrued on the advances. Based on the estimations prepared by the receiver and manager of the sub-contractor, the anticipated realisation of all the assets of the sub-contractor, after deducting all relevant liabilities and expenses, will be sufficient to repay the outstanding advances. Accordingly, no provision has been made in the accounts.
- (b) The related company is a former subsidiary company which was disposed of to a former director in 1999. The amount receivable was unsecured, interest free and had no fixed terms of repayment.

18 CASH AND BANK BALANCES

Bank balances at 31st December 1999 included a deposit of HK\$3,600,000 pledged for a bank loan granted to the Group.

19 CREDITORS AND ACCRUALS

	GROUP		COMPANY	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Other creditors	1,713	1,407	24	–
Amount due to a Director	2,873	2,070	2,873	2,020
Accrued expenses	15,343	37,325	9,051	20,589
	<u>19,929</u>	<u>40,802</u>	<u>11,948</u>	<u>22,609</u>

The amount payable to the Director is unsecured, interest free and has no fixed terms of repayment.

20 BANK OVERDRAFTS AND SHORT-TERM LOANS

	GROUP		COMPANY	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Bank overdrafts, secured	–	32,190	–	23,619
Short-term loans				
Secured (note a)	8,000	2,000	8,000	–
Unsecured (note b)	–	28,900	–	–
	<u>8,000</u>	<u>63,090</u>	<u>8,000</u>	<u>23,619</u>

- (a) The loan is secured by the Group's shareholding in INNOMAXX Biotechnology Group Limited, an associated company, and carries interest at fixed rate of 18% per annum (1999: secured by the Group's property under development and carried interest at 1.5% per month).
- (b) The loan was payable to a company controlled by a Director, carried interest at fixed rate of 3% per annum and has been fully repaid during the year.

21 SHARE CAPITAL

	2000 HK\$'000	1999 HK\$'000
Authorised:		
1,000,000,000 shares (1999: 400,000,000 shares) of HK\$1 each	<u>1,000,000</u>	<u>400,000</u>
Issued and fully paid:		
437,584,391 shares (1999: 236,194,391 shares) of HK\$1 each	<u>437,584</u>	<u>236,194</u>

By a special resolution passed at an Extraordinary General Meeting held on 27th April 2000, the authorised share capital of the Company was increased from HK\$400,000,000 to HK\$1,000,000,000 by the creation of 600,000,000 new shares of HK\$1 each.

21 SHARE CAPITAL (Continued)

During the year, the Company has placed 200,290,000 shares for additional working capital, details of which are as follows:

Date of allotment	Issue price per share HK\$	Number of shares issued
19th January 2000	1.00	32,500,000
29th February 2000	1.05	14,700,000
5th April 2000	1.08	56,600,000
4th July 2000	1.00	28,290,000
14th September 2000	1.03	68,200,000
		<u>200,290,000</u>

Under the Company's share option schemes (the "Schemes") approved by the shareholders of the Company on 13th June 1996 and 22nd May 2000, the Directors of the Company may, at their discretion, offer any employees (including any Directors) of the Company or of any of its subsidiary companies options to subscribe for shares in the Company subject to the terms and conditions stipulated in the Schemes. The maximum number of shares in respect of which options may be granted under the Schemes may not exceed, in nominal amount, 10 per cent of the issued share capital of the Company from time to time, excluding for this purpose shares issued upon the exercise of any options granted under the Schemes. During the year, options to subscribe for 13,004,000 shares (1999: nil) were granted and options for 1,100,000 shares (1999: nil) have been exercised, whereas 2,500,000 shares (1999: 100,000 shares) were lapsed.

As at 31st December 2000, outstanding options under the Schemes are as follows:

Date granted	Period during which options are exercisable	Exercise price per share HK\$	Number of share options outstanding	
			2000	1999
12th November 1996	12th February 1997 to 11th November 2000	1.00	–	1,000,000
11th October 1997	11th January 1998 to 10th October 2001	1.42	–	2,000,000
4th November 1997	4th February 1998 to 3rd November 2001	1.00	–	100,000
11th July 2000	11th October 2000 to 10th October 2002	1.00	12,504,000	–
			<u>12,504,000</u>	<u>3,100,000</u>

Notes to the Accounts (Continued)

For the year ended 31st December 2000

22 RESERVES

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Investment property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
GROUP							
At 31st December 1998	27,095	5,318	–	138,462	(1,886)	(259,468)	(90,479)
Changes in exchange rates	–	–	–	–	224	–	224
Realised on disposal	–	–	–	(128,359)	–	–	(128,359)
Surplus on revaluation	–	–	–	1,350	–	–	1,350
Profit for the year	–	–	–	–	–	24,798	24,798
At 31st December 1999	27,095	5,318	–	11,453	(1,662)	(234,670)	(192,466)
Changes in exchange rates	–	–	–	–	17	–	17
Issue of new shares	2,959	–	–	–	–	–	2,959
Reserve on acquisition of associated companies	–	–	1,805	–	–	–	1,805
Realised on disposal of subsidiary companies	–	–	–	–	1,563	–	1,563
Loss for the year	–	–	–	–	–	(59,701)	(59,701)
At 31st December 2000	<u>30,054</u>	<u>5,318</u>	<u>1,805</u>	<u>11,453</u>	<u>(82)</u>	<u>(294,371)</u>	<u>(245,823)</u>
Company and subsidiary companies	30,054	5,318	–	11,453	(82)	(285,499)	(238,756)
Jointly controlled entities	–	–	–	–	–	(7,877)	(7,877)
Associated companies	–	–	1,805	–	–	(995)	810
	<u>30,054</u>	<u>5,318</u>	<u>1,805</u>	<u>11,453</u>	<u>(82)</u>	<u>(294,371)</u>	<u>(245,823)</u>
At 31st December 1999							
Company and subsidiary companies	27,095	5,318	–	11,453	(1,662)	(227,473)	(185,269)
Associated companies	–	–	–	–	–	971	971
Jointly controlled entities	–	–	–	–	–	(8,168)	(8,168)
	<u>27,095</u>	<u>5,318</u>	<u>–</u>	<u>11,453</u>	<u>(1,662)</u>	<u>(234,670)</u>	<u>(192,466)</u>
COMPANY							
At 31st December 1998	27,095	5,318	–	–	–	(105,919)	(73,506)
Loss for the year	–	–	–	–	–	(100,269)	(100,269)
At 31st December 1999	27,095	5,318	–	–	–	(206,188)	(173,775)
Issue of new shares	2,959	–	–	–	–	–	2,959
Loss for the year	–	–	–	–	–	(62,612)	(62,612)
At 31st December 2000	<u>30,054</u>	<u>5,318</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(268,800)</u>	<u>(233,428)</u>

As at 31st December 2000, the Company has no reserves available for distribution to shareholders as calculated under section 79B of the Hong Kong Companies Ordinance.