

13. FIXED ASSETS

(i) Group

	Land use rights	Investment properties	Buildings and structures	Road	Plant, machinery and equipment	Motor vehicles and others	Construction in progress	Total
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Cost or valuation								
The Chemical Business								
At 1st January 2000	73,978	48,060	1,144,723	—	2,932,420	155,275	1,267,521	5,621,977
Additions	—	—	771	—	19,740	4,075	421,399	445,985
Transfer upon completion	—	—	32,761	—	1,265,177	58	(1,297,996)	—
Write-off and disposals	—	—	(2,653)	—	(49,282)	(2,280)	(7,922)	(62,137)
Transfer to TMICL pursuant to the Business and Asset Exchange	(73,978)	(48,060)	(1,175,602)	—	(4,168,055)	(157,128)	(383,002)	(6,005,825)
At 20th December 2000	—	—	—	—	—	—	—	—
The New Business (all stated at cost)								
Additions pursuant to the Business and Asset Exchange (note b)	650,598	—	653,647	185,418	206,109	44,404	—	1,740,176
Additions	—	—	1,851	—	—	162	—	2,013
At 31st December 2000	650,598	—	655,498	185,418	206,109	44,566	—	1,742,189
Accumulated depreciation								
The Chemical Business								
At 1st January 2000	18,484	—	138,111	—	771,391	42,679	—	970,665
Charge prior to the Business and Asset Exchange	3,867	—	36,550	—	248,198	15,536	—	304,151
Write-off and disposals	—	—	(1,328)	—	(33,881)	(1,323)	—	(36,532)
Transfer to TMICL pursuant to the Business and Asset Exchange	(22,351)	—	(173,333)	—	(985,708)	(56,892)	—	(1,238,284)
At 20th December 2000	—	—	—	—	—	—	—	—
The New Business								
Additions pursuant to the Business and Asset Exchange (note b)	12,984	—	222,808	23,016	105,783	23,954	—	388,545
Charge subsequent to the Business and Asset Exchange	370	—	413	80	259	168	—	1,290
At 31st December 2000	13,354	—	223,221	23,096	106,042	24,122	—	389,835
Net book value								
For the Company at								
31st December 2000 (note 13(ii))	637,244	—	432,277	162,322	100,067	20,444	—	1,352,354
For the Group at 31st December 1999								
	55,494	48,060	1,006,612	—	2,161,029	112,596	1,267,521	4,651,312

Subsequent to the Business and Asset Exchange, the Company has no subsidiaries and therefore the fixed assets as at 31st December 2000 were fixed assets of the Company.

13. FIXED ASSETS (Cont'd)**(ii) Company**

	Land use rights	Investment properties	Buildings and structures	Road	Plant, machinery and equipment	Motor vehicles and others	Total
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Cost or valuation							
The Chemical Business							
At 1st January 2000	35,923	37,884	2,413	—	—	4,025	80,245
Additions	—	—	—	—	—	13	13
Write-off and disposals	—	—	—	—	—	(296)	(296)
Transfer to TMICL pursuant to the Business and Asset Exchange	(35,923)	(37,884)	(2,413)	—	—	(3,742)	(79,962)
At 20th December 2000	—	—	—	—	—	—	—
The New Business (all stated at cost)							
Additions pursuant to the Business and Asset Exchange (note b)	650,598	—	653,647	185,418	206,109	44,404	1,740,176
Additions	—	—	1,851	—	—	162	2,013
At 31st December 2000	650,598	—	655,498	185,418	206,109	44,566	1,742,189
Accumulated depreciation							
The Chemical Business							
At 1st January 2000	1,436	—	1,593	—	—	2,124	5,153
Charge prior to the Business and Asset Exchange	718	—	816	—	—	513	2,047
Write-off and disposals	—	—	—	—	—	(157)	(157)
Transfer to TMICL pursuant to the Business and Asset Exchange	(2,154)	—	(2,409)	—	—	(2,480)	(7,043)
At 20th December 2000	—	—	—	—	—	—	—
The New Business							
Additions pursuant to the Business and Asset Exchange (note b)	12,984	—	222,808	23,016	105,783	23,954	388,545
Charge subsequent to the Business and Asset Exchange	370	—	413	80	259	168	1,290
At 31st December 2000	13,354	—	223,221	23,096	106,042	24,122	389,835
Net book value							
At 31st December 2000							
(note 13(i))	637,244	—	432,277	162,322	100,067	20,444	1,352,354
At 31st December 1999	34,487	37,884	820	—	—	1,901	75,092

13. FIXED ASSETS (Cont'd)

Notes:

- (a) All the land, road, buildings and structures of the New Business are held in the PRC under medium term leases of 50 years.
- (b) The fixed assets of the New Business comprise mainly the land use rights, buildings, structures (including a sewage conduit) and plant and machinery of the Dongjiao Sewage Treatment Plant and Jizhuangzi Sewage Treatment Plant, and the land use rights, road and buildings at toll stations of the road and toll stations operations. The fixed assets had been revalued by China Enterprise Appraisal at 31st December 1999 for the purpose to determine the fair value of the fixed assets of the New Business to be acquired by the Company, as required by the relevant PRC regulations. The revalued amounts have been reflected in the books and records of the New Business and form part of the cost of acquisition in respect of the Business and Asset Exchange.

14. INVENTORIES

	Company		Group
	2000	1999	1999
	<i>New</i>	<i>Chemical</i>	<i>Chemical</i>
	<i>Business</i>	<i>Business</i>	<i>Business</i>
	Rmb'000	Rmb'000	Rmb'000
Raw materials	2,689	—	116,537
Work in progress	—	—	27,604
Finished goods	—	—	128,619
Spare parts and consumables	165	—	71,097
	2,854	—	343,857

15. TRADE RECEIVABLES

The trade receivables as at 31st December 2000 comprise only trade receivables of the New Business which are settled on a monthly basis. The trade receivables as at 31st December 1999 relate only to the Chemical Business. The ageing analysis is set out below:

	Company		Group
	2000	1999	1999
	<i>New</i>	<i>Chemical</i>	<i>Chemical</i>
	<i>Business</i>	<i>Business</i>	<i>Business</i>
	Rmb'000	Rmb'000	Rmb'000
Within one year	11,890	—	419,808
Between one and two years	—	—	118,742
Between two and three years	—	—	58,041
Over three years	—	—	165,760
	11,890	—	762,351
Provision for doubtful debts	—	—	(171,973)
Net trade receivables	11,890	—	590,378

Trade receivables as at 31st December 2000 represented sewage water processing fees due from Tianjin Sewage Company.

16. SHARE CAPITAL

	Company	
	2000	1999
	<i>New</i>	<i>Chemical</i>
	<i>Business</i>	<i>Business</i>
	Rmb'000	Rmb'000
Registered, issued and fully paid		
990,000,000 A shares of Rmb 1 each	990,000	990,000
340,000,000 H shares of Rmb 1 each	340,000	340,000
	1,330,000	1,330,000

All the A and H shares rank pari passu in all respects.

17. RESERVES

(i) Group

	Capital reserve fund (note a) Rmb'000	General reserves (note b) Rmb'000	(Accumulated losses)/ retained profit Rmb'000	Total Rmb'000
At 1st January 1999	659,969	106,468	(537,418)	229,019
Net loss for the year - the Chemical Business	—	—	(364,373)	(364,373)
Transfer from profit and loss account (note c)	2,786	—	(2,786)	—
At 31st December 1999	662,755	106,468	(904,577)	(135,354)
Retained by:				
Company and subsidiaries	662,755	106,468	(911,389)	(142,166)
Associated company	—	—	6,812	6,812
At 31st December 1999	662,755	106,468	(904,577)	(135,354)
At 1st January 2000	662,755	106,468	(904,577)	(135,354)
Profit after taxation - the Chemical Business	—	—	170,726	170,726
Transfer from profit and loss account (note c)	5,383	—	(5,383)	—
Realisation of revaluation surplus upon transfer of the Chemical Business to TMICL	(90,927)	—	90,927	—
Difference in book value of the exchanged net assets (note 2)	33,917	—	—	33,917
Set off of accumulated losses against reserves (note d)	(541,839)	(106,468)	648,307	—
At 20th December 2000	69,289	—	—	69,289
Profit after taxation - the New Business	—	—	7,365	7,365
Transfer to statutory common reserve (note b)	—	736	(736)	—
Transfer to statutory provident fund (note b)	—	368	(368)	—
Reserves of the Company at 31st December 2000 (note 17(ii))	69,289	1,104	6,261	76,654

Subsequent to the Business and Asset Exchange, the Company has no subsidiaries and therefore the reserves as at 31st December 2000 were all attributable to the Company.

17. RESERVES (Cont'd)

(ii) Company

	Capital reserve fund (note a) Rmb'000	General reserves (note b) Rmb'000	(Accumulated losses)/ retained profit Rmb'000	Total Rmb'000
At 1st January 1999	569,042	106,468	(458,918)	216,592
Net loss for the year - the Chemical Business	—	—	(359,896)	(359,896)
Transfer from profit and loss account (note c)	2,786	—	(2,786)	—
At 31st December 1999	571,828	106,468	(821,600)	(143,304)
At 1st January 2000	571,828	106,468	(821,600)	(143,304)
Profit after taxation - the Chemical Business	—	—	178,676	178,676
Transfer from profit and loss account (note c)	5,383	—	(5,383)	—
Difference in book value of the exchanged net assets (note 2)	33,917	—	—	33,917
Set off of accumulated losses against reserves (note d)	(541,839)	(106,468)	648,307	—
At 20th December 2000	69,289	—	—	69,289
Profit after taxation - the New Business	—	—	7,365	7,365
Transfer to statutory common reserve (note b)	—	736	(736)	—
Transfer to statutory provident fund (note b)	—	368	(368)	—
At 31st December 2000				
(note 17(i))	69,289	1,104	6,261	76,654