

## 22 CONTINGENT LIABILITIES

	Group		Company	
	2000	1999	2000	1999
	HK\$	HK\$	HK\$	HK\$
Guarantees to bankers for credit facilities granted to subsidiary companies	—	—	276,011,000	272,000,000
Other guarantees	1,181,000	1,173,000	1,181,000	1,173,000
	<u>1,181,000</u>	<u>1,173,000</u>	<u>277,192,000</u>	<u>273,173,000</u>

## 23 COMMITMENTS

(a) Capital commitments for fixed assets and land and buildings for resale

	Group	
	2000	1999
	HK\$	HK\$
Contracted but not provided for		
- properties under development	5,967,000	—
- other fixed assets	764,000	—
- land and buildings for resale	—	831,000
	<u>6,731,000</u>	<u>831,000</u>

(b) Commitments under operating leases

	Group		Company	
	2000	1999	2000	1999
	HK\$	HK\$	HK\$	HK\$
Operating lease commitments at 31st December payable in the next twelve months, analysed according to the period in which the lease expires, are as follows:				
Land and buildings				
- Within one year	334,212	—	334,212	—
- In the second to fifth years, inclusive	951,420	1,268,141	951,420	1,268,141
	<u>1,285,632</u>	<u>1,268,141</u>	<u>1,285,632</u>	<u>1,268,141</u>

## 24 NOTES TO CONSOLIDATED CASH FLOW STATEMENT

### (a) Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999
	HK\$	HK\$
Operating profit	130,977,257	92,747,955
Depreciation	5,485,269	6,601,278
Gain on disposal of listed investments	(24,484)	(17,175)
Gain on disposal of investment properties	(1,120,000)	—
Loss on disposal of fixed assets	192,366	1,720,124
Write back of provision for diminution in value of listed investments	—	(1,750,000)
Interest and dividend income	(3,685,908)	(2,777,707)
Decrease/(increase) in land and buildings for resale	8,524,563	(1,357,162)
Decrease in receivables and prepayments	5,608,217	23,069,415
(Decrease)/increase in rental and other deposits	(4,211,450)	516,962
Increase/(decrease) in payables and accruals	1,784,719	(3,456,618)
Effect of foreign exchange rate changes	(330,997)	(716,941)
Net cash inflow from operating activities	<u>143,199,552</u>	<u>114,580,131</u>

### (b) Analysis of changes in financing during the year

	Share capital (including premium)	Long term bank loans	Minority interests
	HK\$	HK\$	HK\$
Balance at 1st January 1999	417,321,278	370,510,000	86,361,678
Net cash inflow from financing	—	32,131,200	—
Minority interests' share of profit for the year	—	—	3,100,032
Dividends paid to minority interests	—	—	(3,201,490)
Minority interests' share of surplus on revaluation of investment properties	—	—	1,352,510
Balance at 31st December 1999	<u>417,321,278</u>	<u>402,641,200</u>	<u>87,612,730</u>
Balance at 1st January 2000	417,321,278	402,641,200	87,612,730
Net cash outflow from financing	—	(11,184,000)	—
Minority interests' share of profit for the year	—	—	2,838,868
Dividends paid to minority interests	—	—	(2,542,180)
Minority interests' share of deficit on revaluation of investment properties	—	—	(2,569,626)
Minority interests' share of realisation of revaluation reserve on sale of investment properties	—	—	(438,999)
Balance at 31st December 2000	<u>417,321,278</u>	<u>391,457,200</u>	<u>84,900,793</u>

## 25 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 30th March 2001.

## 26 PRINCIPAL SUBSIDIARY COMPANIES

At 31st December 2000 and 1999, the Company had the following principal subsidiary companies. Montgomery Lands, Incorporated, Central Financial Management Company Inc, Coyote Investment, Inc., Goldman Investments Incorporated, GYB Properties, Inc., MLI Business Management, Inc and Yerba Buena Properties, Inc. are incorporated and operated in the United States of America. All other subsidiary companies are incorporated and operated in Hong Kong.

Subsidiary companies which have not yet commenced business are excluded from this schedule.

Name	Percentage of issued capital held		Ordinary share capital		Principal activities
	By company	By subsidiary company	Number	Par value per share	
Ballington Limited	100	—	10,000	HK\$1	e
Cambella Limited	100	—	1,000	HK\$1	a
Central Financial Management Company Inc	—	100	10,000	US\$1	d
Chi Ho Investment Company Limited	100	—	100	HK\$100	a b g
Chi Ning Investment Company Limited	100	—	421,290	HK\$1	e
Coyote Investment, Inc.	—	100	160,000	N/A	g
Etrema Company Limited	100	—	1,000	HK\$1	b
Fung Chau Investment Company Limited	100	—	1,070,030	HK\$1	a g
Golden Ocean Corporation Limited	100	—	531,510	HK\$1	a
Goldman Investments Incorporated ("Goldman") (note b)	—	80	8,000	N/A	g
GYB Properties, Inc. ("GYB") (note b)	—	80	750,000 550,000 preferred shares	US\$0.01 US\$0.01	e
Kam Cheung Investment Company Limited	75	—	1,200,000	HK\$1	a e
Kam Chung Industrial Company Limited	100	—	1,149,430	HK\$1	a g
Kam Hang Company Limited	95	—	5,000	HK\$100	a
Kam Yiu Company Limited	100	—	73,000	HK\$1	a
Lee Sang On Investment Company, Limited	100	—	915,960	HK\$1	a
MLI Business Management, Inc	—	100	1,000	US\$1	h
Montgomery Enterprises Limited	100	—	1,190,840	HK\$1	a e g
Montgomery Lands, Incorporated	—	100	20,000	US\$1	a
On Ah Enterprises Limited	65	—	100,000	HK\$1	a
Pentacontinental Land Investment Company Limited	53.6	—	2,000,000	HK\$1	a e
Satvision imited	100	—	1,000	HK\$1	a
Tai Fung Investment Company Limited	65	—	1,400,000	HK\$1	a e
Tai Land Finance Company Limited	100	—	100,000	HK\$1	c

## 26 PRINCIPAL SUBSIDIARY COMPANIES (Continued)

Name	Percentage of issued capital held		Ordinary share capital		Principal activities
	By company	By subsidiary company	Number	Par value per share	
Tai Sang Cold Storage and Godown Company Limited	58	—	5,600,000	HK\$1	e
Tai Sang Estate Agency Limited	100	—	100,000	HK\$1	d e
Tai Wing Investment Company Limited	100	—	1,523,590	HK\$1	a
TSE (Floral Villas) Limited	—	100	100	HK\$1	d
TSE (Kam Yuen Mansion) Limited	—	100	1,000	HK\$1	d
TSL Construction and Engineering Limited	100	—	2	HK\$1	a
Welldicker Industrial Limited	100	—	2	HK\$1	e
Worldround Investment Company (Hong Kong) Limited	100	—	127,820	HK\$1	a
Xin Kuok Investments Limited	100	—	2	HK\$1	f
Yerba Buena Properties, Inc. ("YBP") (note b)	—	80	8,000	N/A	g

### Principal activities:

a = property rental	e = investment holding
b = property development	f = motor vehicle rental
c = finance	g = property resale
d = estate management and agency	h = management service

- (a) The above list gives particulars of the principal subsidiary companies, which in the opinion of the directors, materially affect the results and/or assets of the Group.
- (b) On 8th April 1999, the board of directors and shareholders of GYB approved the Plan of Completion Liquidation (the "Plan") of GYB. The Plan provides for the complete liquidation and dissolution of GYB along with its wholly owned subsidiary companies, YBP and Goldman, in accordance with applicable provisions of the International Revenue Code of 1986, as amended, and the California Revenue Tax Code and the California Corporations Code of the United States of America by providing for the distributions to its shareholders of all of its assets (other than those retained to meet claims) forthwith and those remaining after payment of claims by approximately 15th April 2003. YBP and Goldman shall commence as soon as practicable to wind up and dissolve.