

Notes to the Financial Statements

31 December 2000

15. Interests in subsidiaries (continued)

Particulars of the subsidiaries are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary capital/registered share capital	Percentage of equity attributable to the Company	Principal activities
Anhui King Bridge Cement Company Limited	Mainland China	Registered capital US\$15,000,000	60%	Manufacturing and distribution of cement
Chiefolk Company Limited	Hong Kong	Ordinary HK\$1,000,000	70%	Investment holding
Hong Kong Cement Company Limited	Hong Kong	Ordinary HK\$10,000	100%	Import and distribution of cement
Koning Concrete Limited	Hong Kong	Ordinary HK\$10,000	100%	Investment holding
TCC Cement Corporation	The Philippines	Ordinary Peso 91,020,500	100%	Import and distribution of cement
TCC Hong Kong Cement (BVI) Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$1,000	100%	Investment holding
TCC Hong Kong Cement Development Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$10 Deferred * US\$90	100%	Property holding
TCC Hong Kong Cement (HKC) Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
TCC Hong Kong Cement (International) Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
TCC Hong Kong Cement (Philippines) Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding

Notes to the Financial Statements

31 December 2000

15. Interests in subsidiaries (continued)

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary capital/registered share capital	Percentage of equity attributable to the Company	Principal activities
TCC Hong Kong Cement (QHC) Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
TCC Hong Kong Cement Trading Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
TCC Hong Kong Cement (Yargoan) Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
Dragon Pride International Limited	The British Virgin Islands/ The Philippines	Ordinary US\$100	100%	Trading of cement
Quick Flow Investments Limited	The British Virgin Islands	Ordinary US\$100	100%	Not yet commenced business operations
Ulexite Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US\$100	100%	Investment holding
HKC Investment Corporation **	Taiwan	Ordinary NT\$3,145,000,000	100%	Investment holding
OneMore Inc.***	Taiwan	Ordinary NT\$100,000,000	51%	Provision of advanced interactive multimedia solutions

Except for TCC Hong Kong Cement (BVI) Holdings Limited and Ulexite Investments Limited, all the above subsidiaries are indirectly held by the Company.

* The deferred shares of TCC Hong Kong Cement Development Limited are non-voting, carry no rights to dividends and are only entitled to a return of capital when the surplus exceeds US\$1,000,000,000,000,000,000.

** Incorporated during the year.

*** Acquired during the year. This subsidiary did not have any material effect on the Group's turnover or the net profit from ordinary activities attributable to shareholders.

Notes to the Financial Statements

31 December 2000

16. Interests in associates

	2000	Group 1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets other than goodwill	637,488	84,695
Premium on acquisition of an associate	14,011	17,124
	651,499	101,819
Dividend receivable from an associate	6,000	15,000
Loan to an associate	25,913	21,050
	683,412	137,869

The amount due from and the loan to associates are unsecured, interest-free and have no fixed terms of repayment.

The Group's share of the post-acquisition retained profits and exchange fluctuation reserve of associates at 31 December 2000 and 1999 are as follows:

	2000	Group 1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of post-acquisition retained profits	89,622	73,752
Share of post-acquisition exchange fluctuation reserve	(36,291)	(59)

Notes to the Financial Statements

31 December 2000

16. Interests in associates (continued)

Particulars of the associates are as follows:

Name	Business structure	Place of incorporation	Place of operations	Percentage of equity indirectly attributable to the Company		Principal activities
				2000	1999	
Hong Kong Concrete Company Limited ("Hong Kong Concrete")	Corporate	Hong Kong	Hong Kong	30%	30%	Production and distribution of ready-mixed concrete
Quon Hing Concrete Company Limited ("Quon Hing Concrete") *	Corporate	Hong Kong	Hong Kong and the PRC	35%	35%	Production and distribution of ready-mixed concrete
Siam Gold International Limited ("Siam Gold")	Corporate	The British Virgin Islands	The PRC and Brunei	40%	40%	Production and distribution of ready-mixed concrete
Extra Gold Company Limited	Corporate	The British Virgin Islands	Hong Kong	40%	40%	Not yet commenced operations
KG Telecommunications Company Limited ("KG Telecom")**	Corporate	Taiwan	Taiwan	10% +	—	Provision of cellular telecommunication services
Top Channel Holdings Limited**	Corporate	Hong Kong	Hong Kong	35%	—	Production and distribution of wooden doorsets

* The Group, through a 70 per cent. owned subsidiary, holds 50 per cent. interests in Quon Hing Concrete.

** Acquired during the year and are not audited by Ernst & Young or other Ernst & Young International member firms.

+ By virtue of the Company's representation on the board of directors of KG Telecom, the Company is able to exercise significant influence over KG Telecom.

48,000,000 shares of KG Telecom have been pledged to two banks to secure two bank loans amounting to HK\$277,000,000 in aggregate and the general banking facilities granted to the Group (see note 20).

Notes to the Financial Statements

31 December 2000

16. Interests in associates (continued)

The financial statements of these associates are coterminous with those of the Group except for Quon Hing Concrete which has a financial year ending 30 June. The consolidated financial statements have been adjusted for material transactions between this associate and Group companies between 1 July and 31 December.

The condensed summary post-acquisition results of operations and the financial position of each of the significant associates accounted for by the Group using the equity method for the years ended 31 December 2000 and 1999 were as follows:

Quon Hing Concrete

	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	146,334	135,648
Non-current assets	86,822	106,181
Current liabilities	131,229	135,845
Non-current liabilities	4,811	5,177
Contingent liabilities	8,211	5,062
Turnover	484,483	639,011
Net profit from ordinary activities attributable to shareholders	55,481	93,104

Hong Kong Concrete

	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	111,722	135,199
Non-current assets	66,234	64,958
Current liabilities	96,757	96,988
Non-current liabilities	3,816	7,836
Commitments	15,433	12,188
Turnover	349,829	436,347
Net profit from ordinary activities attributable to shareholders	52,050	70,524

KG Telecom (Newly acquired in 2000)

	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	1,989,401	—
Non-current assets	9,409,951	—
Current liabilities	2,202,291	—
Non-current liabilities	3,636,490	—
Commitments	3,521,165	—
Turnover	2,894,704	—
Net profit from ordinary activities attributable to shareholders	205,142	—

Notes to the Financial Statements

31 December 2000

17. Investments

	Group		Company	
	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Investment securities				
Listed equity investments, at cost:				
Listed outside Hong Kong	32,009	—	32,009	—
Provision for impairment in value	(17,851)	—	(17,851)	—
	14,158	—	14,158	—
Unlisted equity investments, at cost:				
Hong Kong	6,088	6,088	—	—
Elsewhere	45,123	—	—	—
	51,211	6,088	—	—
	65,369	6,088	14,158	—
Market value of listed equity investments	3,211	—	3,211	—
Short term investments				
Listed equity investments, at fair value:				
- Listed in Hong Kong	524	590	524	590
- Listed outside Hong Kong	41,084	53,934	41,084	53,934
	41,608	54,524	41,608	54,524
Unlisted equity investments, at fair value	3,100	9,921	—	9,921
	44,708	64,445	41,608	64,445
Market value of listed equity investments	41,608	54,524	41,608	54,524

Notes to the Financial Statements

31 December 2000

18. Trade Receivables

Credit is offered to customers following their financial assessment and an established payment record. The Group usually allows an average credit period of 60 days to its customers and seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management and collections are followed up by accounting personnel. The following is an aging analysis of trade receivables (net of the provision for bad and doubtful debts).

	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aging		
Less than 90 days	81,698	68,329
91-180 days	4,114	3,290
181-360 days	1,313	568
Total	87,125	72,187

Trade receivables of the Group include a trade balance due from an associate of HK\$16,425,000 (1999: HK\$18,014,000), which is unsecured, interest-free and repayable in accordance with normal trading terms.

19. Inventories

	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
		Group
Raw materials	4,258	—
Work in progress	3,876	—
Finished goods	11,766	15,643
Consumable stores	521	662
Packing materials	2	147
	20,423	16,452