

10. PROPERTY, PLANT AND EQUIPMENT**Group**

	Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Communications equipment	Swimming pool	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost or valuation							
At 1 January 2000	656,000	1,610	21,288	36,971	2,911	2,384	721,164
Exchange adjustment	444	6	(10)	261	–	1	702
Additions	64	1,586	2,871	8,233	–	347	13,101
Reclassification	–	–	2,017	(2,017)	–	–	–
Deficit on revaluation	(466,508)	–	–	–	–	–	(466,508)
Disposals	–	(558)	(4,200)	(2,953)	–	(230)	(7,941)
At 31 December 2000	190,000	2,644	21,966	40,495	2,911	2,502	260,518
Representing							
Cost	–	2,644	21,966	40,495	2,911	2,502	70,518
Valuation at 31							
December 2000	190,000	–	–	–	–	–	190,000
	190,000	2,644	21,966	40,495	2,911	2,502	260,518
Depreciation							
At 1 January 2000	–	614	17,345	17,248	1,028	2,167	38,402
Exchange adjustment	12	2	12	103	–	1	130
Charge for the year	19,551	424	2,008	5,854	59	254	28,150
Reclassification	–	–	524	(524)	–	–	–
Written back on							
revaluation	(19,563)	–	–	–	–	–	(19,563)
Written back on							
disposals	–	(41)	(3,512)	(467)	–	(230)	(4,250)
At 31 December 2000	–	999	16,377	22,214	1,087	2,192	42,869
Net book value							
At 31 December 2000	190,000	1,645	5,589	18,281	1,824	310	217,649
At 31 December 1999	656,000	996	3,943	19,723	1,883	217	682,762

10. PROPERTY, PLANT AND EQUIPMENT (cond't)**Company**

	Land and Buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation				
At 1 January 2000	400,000	3,035	526	403,561
Additions	4	13	–	17
Deficit on revaluation	(280,004)	–	–	(280,004)
Disposals	–	(924)	–	(924)
At 31 December 2000	120,000	2,124	526	122,650
Representing				
Cost	–	2,124	526	2,650
Valuation at 31 December 2000	120,000	–	–	120,000
	120,000	2,124	526	122,650
Depreciation				
At 1 January 2000	–	2,944	526	3,470
Charge for the year	8,421	46	–	8,467
Written back on revaluation	(8,421)	–	–	(8,421)
Written back on disposals	–	(906)	–	(906)
At 31 December 2000	–	2,084	526	2,610
Net book value				
At 31 December 2000	120,000	40	–	120,040
At 31 December 1999	400,000	91	–	400,091

10. PROPERTY, PLANT AND EQUIPMENT (cond't)

The Group's interests in land and buildings at their net book values are analysed as follows:

	Group		Company	
	31/12/2000 HK\$'000	31/12/1999 HK\$'000	31/12/2000 HK\$'000	31/12/1999 HK\$'000
Held in Hong Kong, on medium-term lease	120,000	400,000	120,000	400,000
Held in PRC, on medium-term lease	70,000	256,000	–	–
	190,000	656,000	120,000	400,000

The land and buildings of the Group were revalued at 31 December 2000 by DTZ Debenham Tie Leung Limited, an independent firm of professional valuers, on the basis of their open market value.

Had these land and buildings not been revalued, their net book value as at 31 December 2000 would have been HK\$148,057,000 (1999: HK\$153,860,000).

11. INVESTMENT PROPERTIES

	Group and Company	
	31/12/2000 HK\$'000	31/12/1999 HK\$'000
At 1 January/1 April	5,000	5,000
Deficit on revaluation	(1,000)	–
At 31 December	4,000	5,000

The investment properties are situated in Hong Kong and held under a medium-term lease.

The investment properties of the Group were revalued at 31 December 2000 by DTZ Debenham Tie Leung Limited, an independent firm of professional valuers, on the basis of their open market value.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
Unlisted shares, at cost	12,700	12,700
Amounts due from subsidiaries	847,738	611,886
Amounts due to subsidiaries	(40,132)	–
Provision for diminution in value and non-recovery of amounts due	(290,613)	–
	529,693	624,586

Particulars regarding the principal subsidiaries of the Group are set out in pages 57 to 58.

13. INVESTMENTS IN ASSOCIATES

	Group		Company	
	31/12/2000	31/12/1999	31/12/2000	31/12/1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unlisted shares, at cost	–	–	1	1
Share of net assets other than goodwill	2,142	3,847	–	–
Loans to associates	16,379	16,978	6,365	7,881
Provision for diminution in value and non-recovery of loans	(8,912)	(3,336)	–	–
	9,609	17,489	6,366	7,882

Particulars regarding the principal associates of the Group are set out in page 59.

14. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
Share of net liabilities	(11,541)	–
Loans to jointly controlled entities	26,815	–
	15,274	–
Provision for diminution in value and non-recovery of loans	(15,274)	–
	–	–

Particulars regarding the jointly controlled entities of the Group are set out in page 59.

15. MARKETABLE SECURITIES

	Group and Company	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
Equity securities:		
Listed in Hong Kong, at market value	102,892	105,425

16. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK\$72,630,000 (31/12/1999: HK\$100,802,000) and the age analysis is as follows:

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
0 – 1 month	45,206	80,571
2 – 3 months	27,371	20,059
Over 3 months	53	172
	72,630	100,802

The Group maintains a defined credit policy to its trade customers.

17. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$83,891,000 (31/12/1999: HK\$114,855,000) and the age analysis is as follows:

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
0 - 1 month	24,697	53,575
2 - 3 months	23,705	57,663
Over 3 months	35,489	3,617
	83,891	114,855

18. OTHER LOANS, UNSECURED

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
The loans are due to a minority shareholder of a subsidiary, unsecured, interest free and repayable on demand	5,198	5,178

19. DEBENTURES

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
10 (31/12/1999:10) unsecured non-interest bearing debentures of HK\$40,000 each redeemable during the period from 23 January 2002 to 17 August 2002	400	400
203 (31/12/1999:204) unsecured non-interest bearing debentures of HK\$60,000 each redeemable during the period from 20 January 2001 to 31 December 2004	12,180	12,240
31 (31/12/1999:31) unsecured non-interest bearing debenture of HK\$250,000 each redeemable during the period from 7 May 2001 to 30 November 2002	7,750	7,750
	20,330	20,390

19. DEBENTURES (cont'd)

Each debenture holder is entitled to be a debenture member of the Hill Top Country Club ("the Club") subject to the Club Rules and By-laws for so long as the debentures shall remain outstanding and has the right to use and enjoy all the facilities of the Club free from monthly subscription. All redeemable debentures of HK\$60,000 and HK\$250,000 may be renewed every 5 years and debentures of HK\$40,000 may be renewed every 3 years thereafter upon the Club's prior consent.

At 31 December 2000, the Group's debentures were redeemable as follows:

	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
Within one year	4,060	240
In the second year	11,290	4,000
In the third to fifth year	4,980	16,150
	20,330	20,390
Current liabilities	4,060	240
Non-current liabilities	16,270	20,150
	20,330	20,390

20. CONVERTIBLE BONDS

The convertible bonds carry interest at 2% per annum payable in arrears and carry the right to convert the whole (or any part in an amount or integral multiple of HK\$100,000) of the outstanding principal amount of the bonds into the Company's ordinary shares at any time following the date of issue of the bonds at a conversion price of HK\$1.00 per share.

The convertible bonds (if not converted into ordinary shares) shall be redeemed at the outstanding principal amount of the bonds together with interest accrued in the coming year.

21. BANK LOANS AND OVERDRAFTS, SECURED

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
Bank loans - short term	49,418	46,404
Bank overdrafts	721	–
	50,139	46,404

The bank loans and overdrafts were secured by pledge of fixed deposits.

22. DEFERRED TAXATION

(a) Movements on the provision for deferred taxation are as follows:

	Group	
	31/12/2000	31/12/1999
	HK\$'000	HK\$'000
At 1 January/1 April	286	–
Transferred from income statement	1,026	286
At 31 December	1,312	286
Components of deferred taxation provided are:		
Accelerated depreciation allowances	1,312	286

(b) A deferred tax asset has not been provided in respect of the following:

	Group		Company	
	31/12/2000	31/12/1999	31/12/2000	31/12/1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accelerated depreciation allowances	688	1,667	249	249
Tax losses	(33,595)	(18,844)	(18,983)	(17,924)
	(32,907)	(17,177)	(18,734)	(17,675)

No provision for a deferred tax asset has been made in the financial statements as it is uncertain whether the asset will crystallise in the foreseeable future.

The revaluation of the Group's land and buildings does not constitute a timing difference and, consequently, the amount of potential deferred tax thereon has not been quantified.