

## Notes to the Accounts

### 1. Principal Accounting Policies

The principal accounting policies adopted in the preparation of the accounts are set out below:

**(a) Basis of Preparation**

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The accounts are prepared under the historical cost convention as modified by the revaluation of investment properties and investments in associated companies which are adjusted to reflect directors' valuation of properties held by the associated companies.

**(b) Basis of Consolidation**

The consolidated accounts include the accounts of the company and its subsidiaries for the year ended 31st March 2001 and the group's share of results of its associated companies and the relevant share of their post-acquisition reserves. The accounts of the associated companies used for this purpose cover a year ended not more than six months before the company's year end. Where a significant event occurs between the associates' year end and that of the group, adjustments are made in the consolidated accounts for the effect of the event.

**(c) Revenue Recognition**

*(i) Sales of properties*

Revenue on sales of properties is recognised, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold. The group considers that the significant risks and rewards of ownership are transferred when the buildings or the portions thereof contracted for sale are completed and the relevant occupation permits have been issued by the authorities.

*(ii) Rental income*

Rental income is recognised as it accrues over the lease term.

*(iii) Interest income*

Interest income is recognised on a time proportion basis.

*(iv) Dividend income*

Dividend income is recognised when the group's right to receive payment is established.

*(v) Property management fee*

Property management fee is recognised when services are rendered.

**(d) Subsidiaries**

A company is a subsidiary if more than 50% of the voting power or issued share capital is held for the long-term or the composition of the board of directors is controlled. Investments in subsidiaries are stated at cost less provision for permanent diminution in value if necessary.

## Notes to the Accounts

### 1. Principal Accounting Policies (continued)

#### (e) Associated Companies

A company is an associated company if not less than 20% and not more than 50% of the issued share capital is held for the long-term and significant influence is exercised in its management. Investments in associated companies are stated in the consolidated balance sheet at the group's share of net assets adjusted to reflect directors' valuation of properties held by the associated companies.

#### (f) Investment Securities

Investment securities are stated at cost less provision for diminution in value.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The amount of the reduction is recognised as an expense in the profit and loss account.

#### (g) Goodwill/Capital Reserve on Consolidation

Goodwill on consolidation represents the excess of the cost of shares in subsidiaries over the fair value of the attributable net assets at the date of acquisition and is written off against reserves in the year of acquisition. Capital reserve on consolidation which arises when the fair value of the net assets acquired exceeds the purchase consideration is credited directly to reserves.

#### (h) Properties for Sale and under Development

Properties for sale and under development are stated at the lower of cost, which includes interest and financial charges on loans obtained for the development of properties, and estimated net realisable value. Net realisable value is determined by reference to the price ultimately expected to be realised in the ordinary course of business less all anticipated costs.

#### (i) Investment Properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential.

Investment properties held on leases with unexpired periods greater than twenty years are valued annually by independent valuers. The valuations are on an open market value basis, related to individual properties, and separate values are not ascribed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties valuation reserve; decreases are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of twenty years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the valuation reserve realised in respect of previous valuations is released from the investment properties valuation reserve to the profit and loss account.

## Notes to the Accounts

### 1. Principal Accounting Policies (continued)

#### (j) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and are depreciated at an annual rate of 20% to write off their cost over their estimated useful lives on a straight line basis.

The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

#### (k) Provident Fund Scheme

Contributions to the provident fund scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the provident fund scheme prior to vesting fully in the contributions.

#### (l) Foreign Currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are included in the determination of operating profit.

The accounts of subsidiaries expressed in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with as a movement in reserves.

#### (m) Deferred Taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or asset is expected to be crystallised in the foreseeable future.

#### (n) Operating Leases

Leases, where substantially all the rewards and risks of ownership of assets remain with the leasing company, are accounted for as operating leases. Rentals applicable to such operating leases are charged or credited to the profit and loss account on a straight line basis over the lease term.

#### (o) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

## Notes to the Accounts

### 2. Revenues and Turnover

The Group is principally engaged in property investment and development, investment holding and property management. Revenues and turnover recognised during the year comprises:

	<b>2001</b>	<b>2000</b>
	<b><i>HK\$Million</i></b>	<b><i>HK\$Million</i></b>
Gross proceeds from sales of properties	<b>162.9</b>	43.0
Gross rental income from		
– investment properties	<b>14.3</b>	12.5
– other properties	<b>56.7</b>	38.2
Interest income	<b>1.2</b>	1.6
Property management fees	<b>9.2</b>	9.1
	<b>244.3</b>	104.4

An analysis of the group's turnover and contribution to operating results by principal activity and by geographical area is as follows:

	<b>Turnover</b>		<b>Operating results</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b><i>HK\$Million</i></b>	<b><i>HK\$Million</i></b>	<b><i>HK\$Million</i></b>	<b><i>HK\$Million</i></b>
(a) By principal activity:				
Property development	<b>162.9</b>	43.0	<b>(89.6)</b>	(12.5)
Property rental	<b>71.0</b>	50.7	<b>49.7</b>	33.0
Investment and finance	<b>1.2</b>	1.6	<b>(8.1)</b>	59.9
Others	<b>9.2</b>	9.1	<b>(4.9)</b>	5.2
	<b>244.3</b>	104.4	<b>(52.9)</b>	85.6
(b) By geographical area:				
Hong Kong	<b>220.4</b>	103.1	<b>(50.9)</b>	96.9
United States of America	<b>23.9</b>	1.3	<b>(2.0)</b>	(11.3)
	<b>244.3</b>	104.4	<b>(52.9)</b>	85.6

## Notes to the Accounts

### 3. Operating (Loss)/Profit

	<b>2001</b>	2000
	<i>HK\$Million</i>	<i>HK\$Million</i>
Operating (loss)/profit is stated after charging the following:		
Auditors' remuneration	<b>1.0</b>	1.0
Depreciation	<b>0.4</b>	0.5
Operating lease rentals		
– land and buildings	<b>5.2</b>	5.2
Outgoings in respect of		
– investment properties	<b>3.2</b>	3.1
– other properties	<b>3.3</b>	3.0
Provident fund contributions less forfeitures	<b>1.8</b>	1.9
Employee costs (excluding directors' remuneration and provident fund contributions)	<b>48.0</b>	49.0

### 4. Employee Costs

#### (a) Directors' emoluments

	<b>2001</b>	2000
	<i>HK\$</i>	<i>HK\$</i>
Fees	<b>183,233</b>	180,000
Salaries and other emoluments	<b>2,844,800</b>	2,968,299
Bonuses	<b>195,167</b>	212,401
Provident fund contributions	<b>284,280</b>	293,370
	<b>3,507,480</b>	3,654,070

The emoluments of the directors are analysed as follows:

	<b>Number of directors</b>	
	<b>2001</b>	2000
HK\$Nil – HK\$1,000,000	<b>4</b>	3
HK\$1,000,001 – HK\$1,500,000	<b>1</b>	1
HK\$2,000,001 – HK\$2,500,000	<b>1</b>	1

Emoluments paid to independent non-executive directors amounted to HK\$63,233 during the year (2000: HK\$60,000).

## Notes to the Accounts

### 4. Employee Costs (continued)

#### (b) Five highest paid individuals

The five highest paid individuals of the group included two directors of the company, details of whose emoluments are set out above. The emoluments of the remaining three highest paid employees of the group, not being a director of the company, are as follows:

	<b>2001</b>	2000
	<i>HK\$</i>	<i>HK\$</i>
Salaries and other emoluments	<b>3,116,259</b>	3,718,300
Bonuses	<b>173,932</b>	257,500
Provident fund contributions	<b>307,920</b>	365,520
	<b>3,598,111</b>	4,341,320

The above emoluments are analysed as follows:

	<b>Number of employees</b>	
	<b>2001</b>	2000
HK\$1,000,001 – HK\$1,500,000	<b>3</b>	1
HK\$1,500,001 – HK\$2,000,000	–	2

### 5. Finance Costs

	<b>2001</b>	2000
	<i>HK\$Million</i>	<i>HK\$Million</i>
Finance costs comprise of the following:		
Interest paid to a related company	–	1.0
Interest on bank loans and overdrafts wholly repayable within five years	<b>36.6</b>	30.2
<i>Less:</i> Amount capitalised to properties under development	<b>(14.8)</b>	(25.0)
	<b>21.8</b>	6.2

## Notes to the Accounts

### 6. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits for the year.

	<b>2001</b>	2000
	<b><i>HK\$Million</i></b>	<i>HK\$Million</i>
Company and subsidiaries:		
Hong Kong profits tax	<b>3.8</b>	1.3
Deferred taxation (note 21)	<b>(0.4)</b>	0.4
	<b>3.4</b>	1.7
Associated companies:		
Hong Kong profits tax	<b>13.6</b>	6.1
	<b>17.0</b>	7.8

### 7. (Loss)/Profit Attributable to Shareholders

The profit attributable to shareholders is dealt with in the accounts of the company to the extent of HK\$20.9 million (2000: HK\$20.8 million).

### 8. Dividends

	<b>2001</b>	2000
	<b><i>HK\$Million</i></b>	<i>HK\$Million</i>
Interim, paid, of 2 cents (2000: 1 cent) per ordinary share	<b>12.4</b>	6.2

### 9. (Loss)/Earnings Per Share

The calculation of (loss)/earnings per share is based on the loss attributable to shareholders of HK\$85.4 million (2000: profit attributable to shareholders of HK\$4.3 million) and ordinary shares in issue of 617,531,425 (2000: 617,531,425).

## Notes to the Accounts

### 10. Fixed Assets

#### Group

	Investment properties <i>HK\$Million</i>	Other fixed assets <i>HK\$Million</i>	<b>Total</b> <b><i>HK\$Million</i></b>
<b>Cost or valuation</b>			
At 1st April 2000	187.3	38.4	<b>225.7</b>
Additions	–	0.1	<b>0.1</b>
Disposals	–	(1.5)	<b>(1.5)</b>
Deficit on revaluation (note 19)	(10.0)	–	<b>(10.0)</b>
At 31st March 2001	177.3	37.0	<b>214.3</b>
<b>Accumulated depreciation</b>			
At 1st April 2000	–	36.9	<b>36.9</b>
Charge for the year	–	0.4	<b>0.4</b>
Disposals	–	(1.5)	<b>(1.5)</b>
At 31st March 2001	–	35.8	<b>35.8</b>
<b>Net book value</b>			
At 31st March 2001	177.3	1.2	<b>178.5</b>
At 31st March 2000	187.3	1.5	<b>188.8</b>

Investment properties held in Hong Kong are analysed as follows:

	<b>2001</b> <b><i>HK\$Million</i></b>	<b>2000</b> <b><i>HK\$Million</i></b>
On long term leases	<b>5.3</b>	<b>5.3</b>
On medium term leases	<b>172.0</b>	<b>182.0</b>
	<b>177.3</b>	<b>187.3</b>

The investment properties were revalued on 31st March 2001 by CB Richard Ellis Limited on an open market value basis.

All other fixed assets are stated at cost.



## Notes to the Accounts

### 11. Subsidiaries

#### Company

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Unlisted shares, at cost	2,349.2	2,349.2
Amount due from a subsidiary	536.8	528.5
	<b>2,886.0</b>	<b>2,877.7</b>

The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment. Details of subsidiaries are shown in note 28 to the accounts.

### 12. Associated Companies

#### Group

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Unlisted shares, at directors' valuation	1,234.3	1,012.5
Share of accumulated deficit net of undistributed post-acquisition reserves	(300.8)	(173.5)
Share of net assets	933.5	839.0
Amounts due from associated companies less provision	435.7	382.0
	<b>1,369.2</b>	<b>1,221.0</b>

The unlisted shares of certain associated companies were revalued by the directors as at 31st March 2001 based on a valuation performed by CB Richard Ellis Limited of a hotel owned by an associated company using an existing use basis. The surplus on revaluation of HK\$221.8 million has been credited to capital reserve (note 19).

Share of results of associated companies included a loss of HK\$72.0 million (2000: HK\$132.0 million) in respect of a provision for properties for sale.

Dividends from associated companies during the year amounted to HK\$98.2 million (2000: HK\$10.9 million).

Included in the amounts due from associated companies less provision is a net balance of HK\$428.7 million (2000: HK\$374.1 million) which has been subordinated to banks to secure banking facilities granted to an associated company. The amounts due from associated companies are unsecured, interest free and have no fixed terms of repayment.

Other details of associated companies are shown in note 28 to the accounts.

## Notes to the Accounts

### 13. Investment Securities

#### Group

	<b>2001</b>	2000
	<i>HK\$Million</i>	<i>HK\$Million</i>
Equity unlisted securities	<b>47.0</b>	29.6
Less: Provision for diminution in value	<b>(7.8)</b>	–
	<b>39.2</b>	29.6

### 14. Properties for Sale

At 31st March 2001, the carrying amount of properties for sale of the group that are carried at net realisable value amounted to HK\$1,097.9 million (2000: HK\$792.0 million).

### 15. Properties under Development

At 31st March 2001, the carrying amount of properties under development of the group that are carried at net realisable value amounted to HK\$15.4 million (2000: HK\$330.3 million).

### 16. Debtors, Deposits and Prepayments

#### Group

Ageing analysis

	<b>2001</b>	2000
	<i>HK\$Million</i>	<i>HK\$Million</i>
0-3 months	<b>34.2</b>	13.2
Over 3 months	–	5.3
	<b>34.2</b>	18.5
Deposits and prepayments	<b>14.5</b>	24.0
	<b>48.7</b>	42.5

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers.

## Notes to the Accounts

### 17. Creditors, Deposits and Accruals

Ageing analysis

	Group		Company	
	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
0-3 months	0.9	6.4	–	–
Over 3 months	1.7	6.1	–	–
	2.6	12.5	–	–
Deposits and accruals	73.5	78.4	2.3	2.4
	76.1	90.9	2.3	2.4

### 18. Share Capital

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Authorised:		
1,000,000,000 (2000: 1,000,000,000) ordinary shares of HK\$0.1 each	100.0	100.0
Issued and fully paid:		
617,531,425 (2000: 617,531,425) ordinary shares of HK\$0.1 each	61.7	61.7

## Notes to the Accounts

### 19. Reserves

	Investment properties valuation reserve <i>HK\$Million</i>	Capital reserve <i>HK\$Million</i>	Exchange fluctuation reserve <i>HK\$Million</i>	Retained profit <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	<b>Total <i>HK\$Million</i></b>
<b>Group</b>						
At 1st April 1999	42.0	917.3	0.4	2,993.3	348.0	<b>4,301.0</b>
Translation difference	–	–	0.2	–	–	<b>0.2</b>
Surplus on revaluation of associated companies	–	51.7	–	–	–	<b>51.7</b>
Loss for the year retained	–	–	–	(1.9)	–	<b>(1.9)</b>
At 31st March 2000	42.0	969.0	0.6	2,991.4	348.0	<b>4,351.0</b>
Company and subsidiaries	42.0	969.0	0.6	3,164.9	348.0	<b>4,524.5</b>
Associated companies	–	–	–	(173.5)	–	<b>(173.5)</b>
	42.0	969.0	0.6	2,991.4	348.0	<b>4,351.0</b>
<b>Company</b>						
At 1st April 1999	–	–	–	857.4	1,943.3	<b>2,800.7</b>
Profit for the year retained	–	–	–	14.6	–	<b>14.6</b>
At 31st March 2000	–	–	–	872.0	1,943.3	<b>2,815.3</b>
<b>Group</b>						
At 1st April 2000	42.0	969.0	0.6	2,991.4	348.0	<b>4,351.0</b>
Translation difference	–	–	0.2	–	–	<b>0.2</b>
Deficit on revaluation of properties (note 10)	(10.0)	–	–	–	–	<b>(10.0)</b>
Surplus on revaluation of associated companies (note 12)	–	221.8	–	–	–	<b>221.8</b>
Loss for the year retained	–	–	–	(97.8)	–	<b>(97.8)</b>
At 31st March 2001	32.0	1,190.8	0.8	2,893.6	348.0	<b>4,465.2</b>
Company and subsidiaries	32.0	1,190.8	0.8	3,194.4	348.0	<b>4,766.0</b>
Associated companies	–	–	–	(300.8)	–	<b>(300.8)</b>
	32.0	1,190.8	0.8	2,893.6	348.0	<b>4,465.2</b>
<b>Company</b>						
At 1st April 2000	–	–	–	872.0	1,943.3	<b>2,815.3</b>
Profit for the year retained	–	–	–	8.5	–	<b>8.5</b>
At 31st March 2001	–	–	–	880.5	1,943.3	<b>2,823.8</b>

The distributable reserves of the company at 31st March 2001 amounted to HK\$2,823.8 million (2000: HK\$2,815.3 million). The contributed surplus is related to the group's restructuring in prior year.

## Notes to the Accounts

### 20. Long Term Liabilities

#### Group

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Secured bank loans		
– wholly repayable within five years	–	336.6
Less: Amounts repayable within one year included under current liabilities	–	(267.0)
	–	69.6

The maturity of the group's long term liabilities is as follows:

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Secured bank loans		
Within one year	–	267.0
In the second year	–	69.6
	–	336.6

### 21. Deferred Taxation

#### Group

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
At 1st April	0.4	–
Transfer (to)/from profit and loss account (note 6)	(0.4)	0.4
At 31st March	–	0.4

The deferred taxation is provided for in respect of the timing difference arising from profit as computed for taxation purposes and profit as stated in the accounts in connection with properties sold during the year.

The group and the company have no other material timing differences for deferred taxation purposes.

The surpluses on revaluation of investment properties and investments in associated companies do not constitute timing differences for deferred taxation purposes.

## Notes to the Accounts

### 22. Pledge of Assets

Certain properties of the group with a carrying value of HK\$1,188.0 million (2000: HK\$1,228.3 million) have been pledged to banks as security for facilities granted to the extent of HK\$519.9 million (2000: HK\$570.6 million) against which HK\$405.9 million (2000: HK\$486.6 million) has been utilised at the balance sheet date.

### 23. Commitments

#### Group

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Capital commitment in respect of investment securities	109.0	24.9
Development expenses contracted but not provided for in respect of properties under development	–	14.4
	<b>109.0</b>	<b>39.3</b>

### 24. Lease Commitments

#### Group

	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Operating lease commitments at 31st March payable in the next twelve months, analysed according to the year in which the lease expires, are as follows:		
Land and buildings		
– expiring in the second to fifth years inclusive	5.2	5.2

### 25. Contingent Liabilities

	Group		Company	
	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>	2001 <i>HK\$Million</i>	2000 <i>HK\$Million</i>
Guarantees for credit facilities drawn down by:				
Subsidiaries	–	–	465.9	536.6
Associated company	260.0	379.2	260.0	379.2
	<b>260.0</b>	<b>379.2</b>	<b>725.9</b>	<b>915.8</b>

## Notes to the Accounts

### 26. Provident Fund Scheme

For the non-contributory defined contribution provident fund scheme (“the scheme”), regular monthly contributions payable by the group at the rate specified in the trust deed are expensed as incurred. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the group are reduced by the amount of forfeited contributions. The assets of the scheme are held separately from those of the group in funds under the control of a professional trustee and are managed by an independent fund manager.

For the mandatory provident fund scheme (“MPF Scheme”), the group’s contributions are at 5% of the employees’ relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme from 31st December 2000 if their relevant income is more than HK\$4,000 per month. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

No forfeited contribution arising from employees leaving the scheme (2000: HK\$Nil) was utilised to offset contributions during the year. At the balance sheet date, there was no forfeited contribution (2000: HK\$Nil) which is available to reduce the contributions payable in future years.

### 27. Notes to the Consolidated Cash Flow Statement

(a) Reconciliation of (loss)/profit before taxation to net cash inflow/(outflow) from operating activities:

	<b>2001</b>	2000
	<i>HK\$Million</i>	<i>HK\$Million</i>
(Loss)/profit before taxation	<b>(68.4)</b>	12.1
Share of losses of associated companies	<b>15.5</b>	73.5
Provision for properties under development	–	67.0
Provision for/(written back of provision for) properties for sale	<b>78.0</b>	(92.0)
Written back of provision for amount due from an associated company in relation to property development	–	(63.0)
Provision for diminution in value of investment securities	<b>7.8</b>	–
Depreciation	<b>0.4</b>	0.5
Interest expenses	<b>21.8</b>	6.2
Interest income	<b>(1.2)</b>	(1.6)
Exchange differences	<b>0.1</b>	0.1
(Increase)/decrease in properties for sale	<b>(381.5)</b>	8.2
Decrease/(increase) in properties under development	<b>431.4</b>	(76.4)
Increase in debtors, deposits and prepayments	<b>(6.2)</b>	(16.1)
Decrease in creditors, deposits and accruals	<b>(14.1)</b>	(36.2)
	<b>152.0</b>	(129.8)
Net cash inflow/(outflow) from operating activities	<b>83.6</b>	(117.7)

## Notes to the Accounts

### 27. Notes to the Consolidated Cash Flow Statement (continued)

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

	<b>2001</b>	2000
	<b><i>HK\$Million</i></b>	<i>HK\$Million</i>
Balance at 1st April		
– Short term bank loans	<b>200.0</b>	98.0
– Long term bank loans	<b>336.6</b>	273.4
	<b>536.6</b>	371.4
Net cash (outflow)/inflow from financing	<b>(70.7)</b>	165.2
Balance at 31st March	<b>465.9</b>	536.6
Representing:		
Short term bank loans	<b>465.9</b>	200.0
Long term bank loans	–	336.6
	<b>465.9</b>	536.6

(c) Analysis of balances of cash and cash equivalents:

	<b>2001</b>	2000
	<b><i>HK\$Million</i></b>	<i>HK\$Million</i>
Bank balances and cash	<b>75.7</b>	85.6



## Notes to the Accounts

### 28. Particulars of Subsidiaries and Associated Companies

Subsidiaries	Principal Activities	Percentage of issued ordinary share capital held by		Issued ordinary share capital HK\$
		Group	Company	
Tai Cheung (B.V.I.) Company Limited	Investment holding	100	100	780
Tai Cheung Properties Limited	Investment holding and property development	100	–	386,633,750
Acura Enterprises Limited	Property development	100	–	2
Alsoic Limited	Property development	100	–	8
Antier Investment Company Limited	Property development	100	–	300
Buruda Limited	Investment holding	100	–	8
+ Centrax Limited	Property investment	100	–	2
Cosmopolitan Estates Limited	Property investment	100	–	1,000,000
Denmore Limited	Investment holding	100	–	2
Dumex Limited	Investment holding	100	–	3,000,000
* Edward Contractors, Inc.	Contracting services	100	–	77,240
Enrich Investments Limited	Property development	100	–	2
Fliutshire Properties Limited	Property development	100	–	2
Hoi Ka Company Limited	Property development	100	–	1,000,000
Jaco Limited	Property development	100	–	2
Jumbo Realty Limited	Property development	100	–	36,000,000
Junco (Nominees) Limited	Nominee company	100	–	200
Karness Limited	Investment holding	100	–	8
Kenic Properties Limited	Investment holding	100	–	200
Lee May Investments Limited	Property development	100	–	60
Maidstone Construction Company Limited	Construction	100	–	600,000
South Land Enterprises Limited	Property development	100	–	2
Sum Lung Investment Company Limited	Property development	100	–	10,000,000
Tai Cheung Capital Limited	Investment holding	100	–	5,000,000
Tai Cheung Construction Company Limited	Property development	100	–	500,000
Tai Cheung Management Company Limited	Property management	100	–	4,500,000
Tai Cheung Properties (China) Limited	Property development	100	–	2
Tai Cheung Secretaries Limited	Corporate secretary	100	–	2
* Taico Properties, Inc.	Property development	100	–	106,315,988
* Talega Industrial Park, Inc.	Property development	100	–	14,821,766
Tareau International Company Limited	Investment holding	100	–	2
Tatrine Development Company Limited	Property development	100	–	20
Turnhouse Limited	Property development	100	–	2
Walsmith Corporation Limited	Investment holding	100	–	2
Wang Yip Construction Company Limited	Construction	100	–	5,000,000
+ Winfield Investments Limited	Property development	100	–	2
Y Lee Enterprises Limited	Property development	100	–	14,000,000
Yescott International Limited	Investment holding	100	–	2
Zebrine Investments Limited	Property development	100	–	20

## Notes to the Accounts

### 28. Particulars of Subsidiaries and Associated Companies (continued)

	<b>Associated companies</b>	<b>Principal Activities</b>	<b>Percentage of issued ordinary share capital held</b>	
			<b>by Group</b>	<b>by Company</b>
*	Consolidated Hotels Limited	Hotel investment	35	–
+ **	Macfull Limited	Property development	20	–
**	Shepherd Investments Limited	Investment holding	48	–
**	Terrific Investment Limited	Property development	20	–

All subsidiaries and associated companies are incorporated in Hong Kong except Taico Properties, Inc., Talega Industrial Park, Inc. and Edward Contractors, Inc. which are incorporated in the U.S.A.; Alsoic Limited, Buruda Limited and Tai Cheung (B.V.I.) Company Limited which are incorporated in the British Virgin Islands, and Karness Limited which is incorporated in the Cook Islands. The principal country of operation is the same as the country of incorporation except for Tai Cheung (B.V.I.) Company Limited, Alsoic Limited, Buruda Limited and Karness Limited which operate internationally.

\* The accounts of these subsidiaries and associated companies have been audited by firms other than PricewaterhouseCoopers, Hong Kong. The aggregate net liabilities and loss before taxation of these subsidiaries and associated companies attributable to the group amounted to HK\$178.8 million and HK\$17.5 million (2000: HK\$68.6 million and HK\$84.8 million) respectively.

\*\* Associated companies with 31st December year ends.

+ The shares of the subsidiaries and the associated company have been pledged to banks as security for banking facilities granted to the subsidiaries and the associated company.