

# Notes to the Financial Statements

For the Year ended 31st March, 2001

## 17. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP					THE
						COMPANY
	Land and buildings	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Total	Motor vehicles
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
COST						
At 1st April, 2000	3,613	47,039	5,757	4,506	60,915	—
Reclassification	—	(31)	31	—	—	—
Currency realignment	—	(455)	(26)	(30)	(511)	—
Additions	—	17,030	3,864	1,098	21,992	365
Disposals	(733)	(17,237)	(642)	(2,477)	(21,089)	—
<b>At 31st March, 2001</b>	<b>2,880</b>	<b>46,346</b>	<b>8,984</b>	<b>3,097</b>	<b>61,307</b>	<b>365</b>
DEPRECIATION AND AMORTISATION						
At 1st April, 2000	563	31,960	911	1,810	35,244	—
Reclassification	—	(2)	2	—	—	—
Currency realignment	—	(323)	(9)	(17)	(349)	—
Provided for the year	60	7,608	4,177	635	12,480	46
Eliminated on disposals	(483)	(7,912)	(164)	(1,073)	(9,632)	—
<b>At 31st March, 2001</b>	<b>140</b>	<b>31,331</b>	<b>4,917</b>	<b>1,355</b>	<b>37,743</b>	<b>46</b>
NET BOOK VALUES						
<b>At 31st March, 2001</b>	<b>2,740</b>	<b>15,015</b>	<b>4,067</b>	<b>1,742</b>	<b>23,564</b>	<b>319</b>
At 31st March, 2000	3,050	15,079	4,846	2,696	25,671	—

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For the Year ended 31st March, 2001

## 17. PROPERTY, PLANT AND EQUIPMENT - continued

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
The net book value of the Group's land and buildings comprise:		
Medium-term land use rights in the PRC	2,740	2,800
Long-term land use rights in the PRC	—	250
	<u>2,740</u>	<u>3,050</u>

At 31st March, 2001, the net book value of property, plant and equipment includes an amount of HK\$231,000 (2000: HK\$165,000) in respect of assets held under finance leases.

## 18. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2001	2000
	HK\$'000	HK\$'000
Unlisted shares, at cost less provision	45,900	93,498
Amounts due from subsidiaries, less provision	<u>345,272</u>	<u>332,855</u>
	<u>391,172</u>	<u>426,353</u>

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. Out of the balance as at 31st March, 2001, an amount of HK\$99,949,000 bears interest at the prevailing market rate and the remaining balance is interest-free. At 31st March, 2000, the amounts were interest-free. In the opinion of the directors, the amounts will not be repayable within twelve months from the balance sheet date and are therefore shown as non-current.

None of the subsidiaries had any loan capital outstanding as at the end of the year or at any time during the year.

Details of the Company's principal subsidiaries at 31st March, 2001 are set out in note 55.

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## 19. INTEREST IN AN ASSOCIATE

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
Share of net assets	—	—
Amount due from the associate, less provision	1,763	32,000
	<u>1,763</u>	<u>32,000</u>

Details of the Group's associate at 31st March, 2001, which is held indirectly by the Company, are as follows:

Name of associate	Place of incorporation	Attributable equity interest %	Principal activities
Triple Chain Limited	British Virgin Islands	50	Investment in companies engaged in the development, marketing and distribution of application software

## 20. INTEREST IN A JOINTLY CONTROLLED ENTITY

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
Share of net assets	—	16,057

The amount of the Group at 31st March, 2000 represented the Group's 50% equity interest in Infiniti Developments Limited ("Infiniti"), a company incorporated in the British Virgin Islands and acts as an investment holding company of companies engaged in property development. The Group disposed of the entire equity interest in Infiniti during the year.

# Notes to the Financial Statements

For the Year ended 31st March, 2001

## 21. INVESTMENTS IN SECURITIES

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
Non-current investments		
Investment securities, at cost		
Overseas unlisted shares	5,967	5,967
Hong Kong listed shares	—	90,000
	<u>5,967</u>	<u>95,967</u>
Less: Impairment losses recognised	<u>(5,967)</u>	<u>(85,006)</u>
	<u>—</u>	<u>10,961</u>
Market value of listed shares in Hong Kong	<u>—</u>	<u>33,322</u>
Current investments		
Other investments, at market value		
Overseas listed shares	—	22,151
Hong Kong listed shares	13,466	7,078
	<u>13,466</u>	<u>29,229</u>

## 22. CLUB DEBENTURE

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
Club debenture, at cost	<u>—</u>	<u>744</u>

The Group disposed of the club debenture during the year.

# Notes to the Financial Statements

For the Year ended 31st March, 2001

## 23. NOTES RECEIVABLE

	Notes	THE GROUP	
		2001 HK\$'000	2000 HK\$'000
The notes receivable comprise:			
5% convertible note receivable ("5% Note")	(a)	2,000	—
7.5% convertible note receivable ("7.5% Note")	(b)	53,000	—
12.72% note receivable ("12.72% Note")	(c)	—	12,100
		<u>55,000</u>	<u>12,100</u>
Analysed as:			
Within one year		53,000	12,100
More than one year but not exceeding two years		<u>2,000</u>	—
		55,000	12,100
Less: Amount due within one year and shown under current assets		<u>53,000</u>	<u>12,100</u>
Amount due after one year		<u>2,000</u>	—

Notes:

- (a) The 5% Note was issued on 16th January, 2001 by Asia Orient Holdings Limited ("Asia Orient"), a public company listed on the Stock Exchange, and is redeemable on the second anniversary date of issue of the 5% Note (the "5% Note Maturity Date").

The 5% Note is unsecured and bears interest at a rate of 5% per annum. Pursuant to the terms of the 5% Note, the Group has the option to convert all or part of the 5% Note into shares of Asia Orient of HK\$0.005 each as follows:

- (i) at an initial price of HK\$0.088, subject to adjustments, at any time during the period from the date of issue of the 5% Note up to the date before the first anniversary date of issue of the 5% Note; and
- (ii) at an initial price of HK\$0.09, subject to adjustments, at any time during the period after the first anniversary date of issue of the 5% Note up to the 5% Note Maturity Date.

During the year, the Group did not exercise any rights to convert any amount of the 5% Note into shares of Asia Orient.