

Notes to the Financial Statements

For the Year ended 31st March, 2001

30. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade payables with the following aging analysis.

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
Trade payables:		
0-30 days	4,964	10,581
31-60 days	6,641	743
61-90 days	3,162	92
Over 90 days	2,270	1,449
	<u>17,037</u>	<u>12,865</u>
Other payables	26,543	29,954
	<u>43,580</u>	<u>42,819</u>

31. DEPOSITS RECEIVED FROM DISPOSAL OF PROPERTIES HELD FOR RESALE

The amount of the Group at 31st March, 2000 represented deposits received in respect of properties disposed of which were the subject of a claim for recovery by an independent third party. The Company disposed of the relevant subsidiary during the year.

32. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
The maturity of obligations under finance leases is as follows:		
Under one year	31	86
More than one year but not exceeding two years	10	28
More than two years but not exceeding five years	136	—
	<u>177</u>	<u>114</u>
Less: Amount due within one year and shown under current liabilities	(31)	(86)
Amount due after one year	<u>146</u>	<u>28</u>

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33. BANK AND OTHER BORROWINGS

	THE GROUP		THE COMPANY	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
The bank and other borrowings comprise:				
Trust receipts and import loans	10,205	—	—	—
Bank loans	—	8,703	—	—
Short- term bank loans	8,536	34,000	—	—
Other loan	13,000	—	—	—
Bank overdrafts	5,024	52	4,694	—
	<u>36,765</u>	<u>42,755</u>	<u>4,694</u>	<u>—</u>
Analysed as:				
Secured	8,536	42,703	—	—
Unsecured	28,229	52	4,694	—
	<u>36,765</u>	<u>42,755</u>	<u>4,694</u>	<u>—</u>
The maturity of bank and other borrowings is as follows:				
Within one year, or on demand	36,765	34,224	4,694	—
More than one year but not exceeding two years	—	403	—	—
More than two years but not exceeding five years	—	788	—	—
More than five years	—	7,340	—	—
	<u>36,765</u>	<u>42,755</u>	<u>4,694</u>	<u>—</u>
Less: Amount due within one year and shown under current liabilities	<u>(36,765)</u>	<u>(34,224)</u>	<u>(4,694)</u>	<u>—</u>
Amount due after one year	<u>—</u>	<u>8,531</u>	<u>—</u>	<u>—</u>

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34. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries of the Company are unsecured, interest-free and have no fixed terms of repayment. The amounts will not be repaid within twelve months from the balance sheet date and are therefore shown as non-current.

35. AMOUNT DUE TO A JOINTLY CONTROLLED ENTITY

The amount due to a jointly controlled entity of the Group was unsecured and interest-free. It was fully settled when the Group's disposed of the jointly controlled entity during the year.

36. CONVERTIBLE NOTES

	THE GROUP AND THE COMPANY	
	2001	2000
	HK\$'000	HK\$'000
Convertible notes	—	70,000

The convertible notes were unsecured and bore interest at prime rate per annum payable semi-annually in arrears. The noteholders had the right, at any time within a period of three years from the date of issue of the convertible notes, to convert all or part of the principal amount of the outstanding convertible notes into ordinary shares of the Company at an initial conversion price of HK\$0.60 per share, subject to adjustments.

None of the noteholders exercised any of their conversion rights before the redemption by the Company during the year.

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37. DEFERRED TAXATION

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
At 1st April	82	82
Charge for the year (<i>note 12</i>)	20	—
	<u>102</u>	<u>82</u>
At 31st March	<u>102</u>	<u>82</u>

The deferred tax liability is mainly attributable to the excess of depreciation allowances claimed for tax purposes over depreciation charged in the financial statements of certain subsidiaries.

At 31st March, 2001, the Group and the Company had an unrecognised deferred tax asset of HK\$27,658,000 (2000: HK\$22,238,000) and HK\$4,641,000 (2000: HK\$879,000), respectively, which represents the tax effect of timing differences arising as a result of tax losses available to set off against future assessable profits. These deferred tax assets have not been recognised in the financial statements as it is uncertain that the benefit will be realised in the foreseeable future.

Notes to the Financial Statements

For the Year ended 31st March, 2001

38. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
Balance at 1st April, 1999 and 1st April, 2000	15,417,833,415	1,541,783
Increase in February 2001	4,582,166,585	458,217
Balance at 31st March, 2001	20,000,000,000	2,000,000
Issued and fully paid:		
Balance at 1st April, 1999	93,513,603	9,351
Rights issue of shares	374,054,412	37,405
Issue of new shares	207,500,000	20,750
Exercise of share options	15,650,000	1,565
Exercise of warrants	24,120,000	2,412
Balance at 31st March, 2000	714,838,015	71,483
Repurchase of shares	(1,748,000)	(174)
Issue of new shares	142,000,000	14,200
Exercise of share options	10,500,000	1,050
Balance at 31st March, 2001	865,590,015	86,559

(a) During the year ended 31st March, 2000, the following changes in the share capital of the Company took place:

- (i) Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company on 2nd July, 1999, 374,054,412 new ordinary shares of HK\$0.10 each were issued by way of rights issue at an issue price of HK\$0.15 per share to the then existing shareholders, in the proportion of four rights shares for every one share then held. The net proceeds of the rights issue of approximately HK\$52,000,000 were used for the expansion of the Group's business, to reduce bank borrowings and to provide additional working capital.