

14 INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	52,658	54,677
Amounts due from associated companies (<i>note b</i>)	72,232	72,353
Loans to associated companies (<i>note b</i>)	42,500	43,528
	167,390	170,558
Provision for amounts due from and loans to associated companies	(74,466)	(73,484)
	92,924	97,074
Investments, at cost		
Listed shares in Hong Kong	54,196	54,196
Unlisted shares	85,278	85,278
	139,474	139,474
Market value of listed shares	12,000	91,200

Notes:

- (a) Particulars of principal associated companies are set out in note 35 to the accounts.
- (b) The amounts due from associated companies and loans to associated companies are unsecured, interest free and have no fixed terms of repayment.

15 INVESTMENT SECURITIES

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity securities		
Unlisted investments, at cost	10,471	10,471
Amount due from an investee company	4,427	4,427
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	14,898	14,898
Provision for diminution in value	(7,359)	(1,680)
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	7,539	13,218
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16 PROPERTIES HELD FOR SALE

At 31st March, 2001, the carrying amount of properties held for sale that are carried at net realisable value amounted to HK\$144,888,000 (2000: HK\$31,543,000).

17 INVENTORIES

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Raw materials	4,274	5,639
Work in progress	1,340	2,183
Finished goods	14,493	15,262
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	20,107	23,084
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At 31st March, 2001, the carrying amount of inventories that are carried at net realisable value amounted to HK\$419,000 (2000: HK\$4,186,000).

18 TRADE RECEIVABLES

The Group's credit terms on credit sales mainly range from 30 days to 90 days.

At 31st March, 2001, the age analysis of the trade receivables of the Group was as follows:

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	16,384	22,288
31 - 60 days	6,597	4,615
61 - 90 days	3,825	6,742
Over 90 days	12,176	72,832
	38,982	106,477
	38,982	106,477

19 OTHER INVESTMENTS

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity securities, at market value		
Listed in Hong Kong	3,540	6,480
Listed outside Hong Kong	948	—
	4,488	6,480
	4,488	6,480

20 TRADE PAYABLES

At 31st March, 2001, the age analysis of the trade payables of the Group was as follows:

	Group	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	8,565	14,205
31 - 60 days	1,221	1,446
Over 60 days	14,022	10,472
	23,808	26,123
	23,808	26,123

21 SHARE CAPITAL

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Authorised:</i>		
1,600,000,000 ordinary shares of HK\$0.25 each	400,000	400,000
	400,000	400,000
<i>Issued and fully paid:</i>		
1,328,006,155 (2000: 1,108,006,155) ordinary shares of HK\$0.25 each	332,002	277,002
	332,002	277,002

Notes:

(a) Details of subscription of shares of the Company during the year are as follows:

On 2nd November, 2000, four companies (the "Vendors") entered into a Placing Agreement with the placing agent for the placing of 115,900,000 existing shares of the Company at HK\$0.255 per share to independent investors. The Vendors are beneficially owned by Mr. Alan Chuang Shaw Swee ("Mr. Chuang") and/or Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu"), both are directors of the Company, or hold shares on trust of which Mr. Chuang and Mrs. Siu are discretionary objects. On the same date, the Vendors also entered into a Subscription Agreement with the Company for subscribing 220,000,000 shares of the Company at HK\$0.255 per share to restore their shareholding percentage in the Company. Both the Placing and Subscription Agreements were completed on 16th November, 2000.

21 SHARE CAPITAL (Continued)

- (b) Details of share options of the Company are as follows:

A share option scheme was approved and adopted at a special general meeting of the Company held on 27th June, 1991.

Pursuant to a resolution passed at the directors' meeting held on 12th September, 1997, the Company granted share options to certain directors to subscribe for 25,000,000 ordinary shares of the Company. The grantees are entitled to exercise their options at a price of HK\$1.28 per share (subject to adjustments) at any time from 13th September, 1997 to 31st December, 2000.

No share options were exercised during the year and all outstanding share options were lapsed after 31st December, 2000.

- (c) Details of share options and warrants of China Cyberworld Limited ("China Cyberworld"), a listed subsidiary of the Company, are as follows:

(i) *Share options granted in 1999*

A share option scheme of China Cyberworld was approved and adopted at the annual general meeting held on 14th September, 1999 with effect from 29th November, 1999. Pursuant to a resolution passed at the directors' meeting held on 9th December, 1999, China Cyberworld granted share options to certain directors and consultants of China Cyberworld to subscribe for 60,000,000 shares in China Cyberworld at an exercise price of HK\$0.5872 per share, subject to adjustments. The share options are exercisable at any time from 1st January, 2000 to 31st December, 2002.

Share options for 21,000,000 shares were exercised in last year. No share options were exercised during the year.

(ii) *2001 warrants*

Pursuant to an ordinary resolution passed on 22nd July, 1999, China Cyberworld issued 144,000,000 warrants at HK\$0.2 per unit. The warrants entitled the holders to subscribe for new shares in China Cyberworld at a subscription price of HK\$0.4 per share, subject to adjustments, at any time from 1st September, 1999 to 31st March, 2001.

Warrants for 54,120,000 shares were exercised in last year and warrants for 6,185,000 shares were exercised during the year. The remaining 83,695,000 units of warrants were lapsed after 31st March, 2001.

22 RESERVES

	Contributed		Capital reserve	Statutory reserve	Investment Capital properties		Exchange reserve	Retained profits	Total
	Share	surplus			redemption	revaluation			
	premium	surplus			reserve	reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Group									
At 1st April, 1999	636,102	49,031	386,870	1,222	4,462	136,158	(109,586)	1,624,810	2,729,069
Share of capital reserve movement of a subsidiary	—	—	(17,514)	—	—	—	—	—	(17,514)
Release of goodwill upon liquidation of a subsidiary	—	—	3,382	—	—	—	—	—	3,382
Increase in interest in a subsidiary	—	—	129,859	276	—	—	61	—	130,196
Acquisition of associated companies	—	—	(54,373)	—	—	—	—	—	(54,373)
Reserve transfer upon disposal of property interest to a non- wholly owned subsidiary	—	—	83,238	—	—	(83,238)	—	—	—
Revaluation deficit	—	—	—	—	—	(52,920)	—	—	(52,920)
Translation differences	—	—	—	—	—	—	1,680	—	1,680
Profit for the year	—	—	—	—	—	—	—	114,282	114,282
Dividends	—	(22,160)	—	—	—	—	—	—	(22,160)
At 31st March, 2000	<u>636,102</u>	<u>26,871</u>	<u>531,462</u>	<u>1,498</u>	<u>4,462</u>	<u>—</u>	<u>(107,845)</u>	<u>1,739,092</u>	<u>2,831,642</u>
Retained by:									
Company and subsidiaries	636,102	26,871	531,462	1,498	4,462	—	(107,841)	1,738,897	2,831,451
Associated companies	—	—	—	—	—	—	(4)	195	191
	<u>636,102</u>	<u>26,871</u>	<u>531,462</u>	<u>1,498</u>	<u>4,462</u>	<u>—</u>	<u>(107,845)</u>	<u>1,739,092</u>	<u>2,831,642</u>

22 RESERVES (Continued)

	Share Contributed		Capital reserve	Statutory reserve	Investment Capital properties		Exchange reserve	Retained profits	Total
	premium	surplus			redemption reserve	revaluation reserve			
	HK\$'000	HK\$'000			HK\$'000	HK\$'000			
Group									
At 1st April, 2000	636,102	26,871	531,462	1,498	4,462	—	(107,845)	1,739,092	2,831,642
Premium on issue of shares	1,100	—	—	—	—	—	—	—	1,100
Share issue expenses	(955)	—	—	—	—	—	—	—	(955)
Share of capital reserve movement of a subsidiary	—	—	2,231	—	—	—	—	—	2,231
Release of capital reserve upon deemed disposal of a subsidiary	—	—	(1,287)	—	—	—	—	—	(1,287)
Share of reserves of an associated company	—	—	341	—	—	—	—	—	341
Revaluation surplus	—	—	—	—	—	29,352	—	—	29,352
Translation differences	—	—	—	—	—	—	(4,558)	—	(4,558)
Loss for the year	—	—	—	—	—	—	—	(68,972)	(68,972)
Transfer between reserves	—	—	—	553	—	—	—	(553)	—
Dividends	—	(6,640)	—	—	—	—	—	—	(6,640)
At 31st March, 2001	636,247	20,231	532,747	2,051	4,462	29,352	(112,403)	1,669,567	2,782,254
Retained by:									
Company and subsidiaries	636,247	20,231	532,406	2,051	4,462	29,352	(112,403)	1,669,509	2,781,855
Associated companies	—	—	341	—	—	—	—	58	399
	636,247	20,231	532,747	2,051	4,462	29,352	(112,403)	1,669,567	2,782,254

Statutory reserve represents Enterprise Expansion Fund and General Reserve Fund set aside by subsidiaries in accordance with the relevant laws and regulations in the PRC.