

1. BASIS OF PREPARATION

The accounts are 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.

In preparing these accounts, the directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. Under these circumstances, the directors consider that it is proper to prepare the accounts on a going concern basis notwithstanding that at 31 March 2001, the accumulated losses of the Group amounted to HK\$1,784,780,000 and that its current liabilities exceeded its current assets by HK\$185,397,000.

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 March. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision, if necessary, for any diminution in value other than temporary in nature. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Goodwill on consolidation

Goodwill represents the excess of purchase consideration over the fair values ascribed to the net assets of subsidiaries, associated companies and jointly controlled entities acquired and is taken to reserves in the year of acquisition.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)***(c) Associated companies**

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long term and significant influence is exercised in its management. The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies.

(d) Jointly controlled entity

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entity for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity.

(e) Other investments

Other investments are investments which are held for the long term strategic purposes. Other investments are stated at cost less provision for any 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 investment should be reduced to its fair value. The amount of reduction is recognised as an expense in the profit and loss account.

(f) Property, plant and equipment

Property, plant and equipment, other than investment properties (note 2(g)), are stated at cost less accumulated depreciation.

Depreciation of property, plant and equipment is calculated to write off the cost of assets over their estimated useful lives, on a straight line basis, at the following annual rates:

Leasehold land and buildings	over the lease terms
Leasehold improvements	over the lease terms
Technology related equipment – PowerPhone	20%
Computer equipment	33 1/3%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	20%

During the year, the directors have reassessed the estimated useful lives of the assets, taking current business environment and conditions, and the expected pattern of economic benefits from the respective assets into consideration, and have revised the accounting estimates on the depreciation rate of computer equipment from 20% to 33 1/3%. The revised accounting estimates have been adopted prospectively from 1 April 2000. The effect of this change in accounting estimates is that depreciation charge for the year has been increased by HK\$3,172,273.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(f) **Property, plant and equipment** *(Continued)*

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The carrying amounts of property, plant and equipment are reviewed regularly to assess whether recoverable amounts have declined below carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

The gain or loss on disposal of property, plant and equipment other than investment properties 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.

(g) **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, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 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 attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation 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.

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

(h) **Properties held for sale**

Properties held for sale are included in current assets and stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(i) **Accounts receivable**

Provision is made against accounts receivable to the extent they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)***(j) Deferred taxation**

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

(k) Assets under leases*(i) Finance leases*

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the asset or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The correspondence rental obligations, net of finance charges, are included in long term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

(ii) Operating leases

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

(l) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries, associated companies and a jointly controlled entity expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with as a movement in reserves.

(m) Revenue recognition*(i) Sale of properties*

Sale of properties is recognised upon the completion of the sale and purchase contracts.

(ii) Technology and PowerPhone related services

Revenue from the provision of technology and PowerPhone related services is recognised when services are rendered.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition *(Continued)*

(iii) Rental and management fee income

Operating lease rental income and management fee are recognised on a straight line basis over the period of the leases.

(iv) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(n) Retirement benefit costs

The Group operated a defined contribution retirement scheme (the "Retirement Scheme") for qualifying employees in Hong Kong until 30 November 2000. The Group's contributions to the scheme were based on rates ranging from 7.5% to 10% of the employees' salaries depending on length of service.

A mandatory provident fund scheme (the "MPF Scheme") has been established under the Hong Kong Mandatory Provident Fund Scheme Ordinance in December 2000 to substitute for the Retirement Scheme. Commencing on 1 December 2000, the Group's Hong Kong employees are compulsorily required to join the MPF Scheme. Both the Group and the employees are required to contribute 5% of each individual's relevant income with a maximum amount of HK\$1,000 per month as a mandatory contribution. Employer's mandatory contributions are 100% vested in the employees as soon as they are paid to the MPF Scheme. The Group also makes voluntary contributions, representing 5% of the employees' relevant income less mandatory contributions, which may be reduced by contributions forfeited by those employees who leave employment prior to vesting fully in those contributions. Employees may also elect to contribute more than the minimum as a voluntary contribution.

Contributions for the above schemes are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group and managed by independent professional fund managers.

In addition, the Group also contributes to retirement schemes managed by local municipal authorities in the PRC based on a percentage of the relevant PRC employees' monthly salaries. The Group's contributions under such scheme are charged to the profit and loss account as incurred while the local municipal authorities in the PRC undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group in the PRC.

3. REVENUES AND TURNOVER

The Group is principally engaged in property investment and the provision of technology related services. Revenues recognised during the year are as follows:

	2001	2000
	HK\$'000	HK\$'000
Turnover		
Gross rental income and management fee	37,406	41,483
Technology related services	34,404	–
PowerPhone related services (note 4)	12,592	16,059
	84,402	57,542
Other revenue		
Interest income	15,267	14,288
	99,669	71,830

An analysis of the Group's turnover and contribution to operating (loss)/profit before finance costs for the year by principal markets and activities are as follows:

	Turnover		Operating (loss)/ profit	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Principal markets				
Hong Kong	67,378	57,542	(240,172)	(263,365)
Mainland China	14,206	–	(7,486)	(632)
Others	2,818	–	(24,651)	–
	84,402	57,542		
(Loss)/gain on disposal of subsidiaries			(221,949)	166
Provision for diminution in value of other investments			(319,284)	(2,917)
Write-off of associated companies			(69,217)	–
Loss on deemed disposal of associated companies			(9,214)	–
Gain on disposal of other investments			177,520	–
Recovery of doubtful debts			177	20,000
			(714,276)	(246,748)

3. REVENUES AND TURNOVER (Continued)

	Turnover		Operating (loss)/ profit	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Principal activities				
Property investment	37,406	41,483	11,473	(170,301)
Technology related services	34,404	–	(177,643)	–
PowerPhone related services (note 4)	12,592	16,059	(106,139)	(93,696)
	84,402	57,542		
(Loss)/gain on disposal of subsidiaries			(221,949)	166
Provision for diminution in value of other investments			(319,284)	(2,917)
Write-off of associated companies			(69,217)	–
Loss on deemed disposal of associated companies			(9,214)	–
Gain on disposal of other investments			177,520	–
Recovery of doubtful debts			177	20,000
			(714,276)	(246,748)

4. LOSS ON DISPOSAL OF SUBSIDIARIES

The loss on disposal of subsidiaries mainly attributed to the disposal of New World CyberBase (H.K.) Limited ("NWCBHK"). As more fully explained in the circular to shareholders dated 30 November 2000, the subsidiary was sold to INFA Technologies Holdings Limited ("INFA"), a company wholly owned by a former director of the Company, at a consideration of approximately HK\$62.5 million. NWCBHK has then changed its name to INFA Telemedia Hong Kong Limited.

NWCBHK was principally engaged in the provision of PowerPhone services. The loss on disposal of NWCBHK amounted to HK\$220,499,000, representing the difference between the proceeds of the sale and the carrying amount of its net assets together with the attributable goodwill which has previously been eliminated against reserves and has not previously been charged to the profit and loss account.

The contribution to turnover and operating loss in respect of the discontinued operation, accounted for up to the date of discontinuance were as follows:

	2001 HK\$'000	2000 HK\$'000
Turnover (note 3)	12,592	16,059
Operating loss (note 3)	106,139	93,696

5. OPERATING LOSS

Operating loss is stated after crediting and charging the following:

	2001	2000
	HK\$'000	HK\$'000
Crediting		
Gross rental income from investment properties	32,915	36,356
Less: Outgoings	(2,679)	(706)
	30,236	35,650
Charging		
Auditors' remuneration	1,273	800
Operating lease rental in respect of:		
Land and buildings	12,954	1,502
Payphone site	40,246	41,193
Loss on disposal of plant and equipment	11,405	-
Retirement benefit costs	2,401	452
Provision for diminution in value of properties held for sales	-	7,920
Loss on disposal of investment properties	-	3,938

6. RETIREMENT BENEFIT COSTS

The retirement benefit costs charged to the profit and loss account represent gross contributions payable by the Group to the retirement schemes of HK\$2,786,000 (2000: HK\$452,000) less forfeited contributions utilised of HK\$385,000 (2000: Nil). No contributions were payable to the funds at the year end. As at 31 March 2001, there was no unutilised forfeited contributions (2000: Nil).

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

	2001	2000
	HK\$'000	HK\$'000
Fees		
– executive directors	91	404
– non-executive directors	205	200
Basic salaries, housing allowances, other allowances and benefits in kind	2,700	2,913
Discretionary bonuses	–	1,600
Contributions to pension schemes	287	67
	3,283	5,184

The emoluments of the directors fell within the following bands:

Emolument bands	Number of directors	
	2001	2000
Nil – HK\$1,000,000	12	17
HK\$2,500,001 – HK\$3,000,000	1	1
	13	18

Emoluments paid to independent non-executive directors amounted to HK\$200,000 for the year (2000: HK\$200,000).

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)**(b) Senior executives' emoluments**

The five individuals whose emoluments were the highest in the Group for the year include one (2000: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2000: four) individuals during the year are as follows:

	2001	2000
	HK\$'000	HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	6,505	1,292
Discretionary bonuses	140	–
Contributions to pension schemes	155	108
	6,800	1,400

The emoluments fell within the following bands:

Emolument bands	Number of individuals	
	2001	2000
Nil – HK\$1,000,000	–	4
HK\$1,000,001 – HK\$1,500,000	2	–
HK\$1,500,001 – HK\$2,000,000	1	–
HK\$2,000,001 – HK\$2,500,000	1	–
	4	4

8. FINANCE COSTS

	2001	2000
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	23,212	27,447
Interest on loan notes	26,928	31,593
Interest on other loans wholly repayable within five years	16,590	5,713
Interest on convertible notes	1,857	7,946
Interest on amount due to a minority shareholder	459	–
	69,046	72,699

9. TAXATION

Hong Kong profits tax has not been provided as the Group has no estimated assessable profit for the year (2000: Nil). Taxation credit of HK\$85,000 (2000: Nil) represents overprovision for Hong Kong profits tax in prior years.

There was no material unprovided deferred taxation for the year.

The revaluation deficit attributable to the investment properties does not constitute a timing difference for taxation purposes and deferred tax asset thereon has not been quantified.

10. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Loss attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$1,598,795,000 (2000: HK\$10,766,000).

11. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to shareholders of HK\$821,284,000 (2000: HK\$313,904,000) and on the weighted average of 3,503,530,852 (2000: 1,257,542,424) shares in issue during the year.

Diluted loss per share is not presented as the exercise of the outstanding share options of the Company would be anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	Investment properties	Other properties	Leasehold improvements	PowerPhone equipment	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost or valuation								
At 1 April 2000	606,300	-	2,190	173,618	19,468	8,756	-	810,332
Additions	-	-	21,377	7,637	10,433	4,923	800	45,170
Acquisition of subsidiaries	-	5,207	2,561	-	5,599	2,538	184	16,089
Disposal of subsidiaries	(47,500)	-	-	(181,255)	-	-	-	(228,755)
Disposals	-	-	(5,851)	-	(6,783)	(9,269)	-	(21,903)
Revaluation deficits	(23,000)	-	-	-	-	-	-	(23,000)
At 31 March 2001	535,800	5,207	20,277	-	28,717	6,948	984	597,933
Accumulated depreciation								
At 1 April 2000	-	-	281	23,216	2,216	1,616	-	27,329
Charge for the year	-	61	5,899	21,153	8,056	5,337	147	40,653
Additional provision for depreciation (note 28(a))	-	-	2,292	-	4,776	435	-	7,503
Acquisition of subsidiaries	-	277	89	-	3,398	569	154	4,487
Disposal of subsidiaries	-	-	-	(44,369)	-	-	-	(44,369)
Disposals/written off	-	-	(1,461)	-	(2,379)	(4,430)	-	(8,270)
At 31 March 2001	-	338	7,100	-	16,067	3,527	301	27,333
Net book value								
At 31 March 2001	535,800	4,869	13,177	-	12,650	3,421	683	570,600
At 31 March 2000	606,300	-	1,909	150,402	17,252	7,140	-	783,003
The analysis of cost or valuation at 31 March 2001 of the above assets is as follows:								
At cost	-	4,869	13,177	-	12,650	3,421	683	34,800
At professional valuation 2001	535,800	-	-	-	-	-	-	535,800
	535,800	4,869	13,177	-	12,650	3,421	683	570,600

(a) The Group engaged two professional valuers, namely FPD Savills (Hong Kong) Limited and RHL Appraisal Ltd. to revalue the Group's investment properties on an open market value basis as of 31 March 2001. The aggregate market value of these investment properties at 31 March 2001 was HK\$535,800,000.

(b) Investment properties with a net book value totalling HK\$410,000,000 (2000: HK\$606,300,000) have been pledged to secure banking facilities to the extent of HK\$153,522,000 (2000: HK\$307,664,000) granted to the Group.

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) The tenure of the Group's properties is as follows:

	2001	2000
	HK\$'000	HK\$'000
Investment properties in Hong Kong		
On long term lease	-	47,500
On medium term lease	535,800	558,800
	535,800	606,300
Other properties outside Hong Kong		
On medium term lease	5,207	-
	541,007	606,300

13. SUBSIDIARIES

	Company	
	2001	2000
	HK\$'000	HK\$'000
Unlisted shares, at cost	477,068	476,971
Less: Provision for diminution in value	(255,212)	-
	221,856	476,971
Amounts due from subsidiaries (note a)	2,326,586	2,182,772
Less: Provision	(1,308,209)	-
	1,018,377	2,182,772
Amounts due to subsidiaries	(66,222)	-
	952,155	2,182,772
	1,174,011	2,659,743

(a) Except for an amount of HK\$36,652,000 (2000: HK\$1,172,757,000) which carries interest at 9% per annum (2000: 5% per annum), the balances with subsidiaries are interest free and have no fixed terms of repayment.

(b) A list of the principal subsidiaries is set out in note 30 to the accounts.

14. ASSOCIATED COMPANIES

	Group	
	2001	2000
	HK\$'000	<i>HK\$'000</i>
Share of net assets	63,351	57,221
Amounts due from associated companies (note a)	89,760	71,672
	153,111	128,893
Unlisted shares, at cost	258,507	50,545

(a) Except for an amount of HK\$47,381,000 (2000: HK\$47,381,000) which carries interest at 1.5% above Hong Kong prime rate per annum (2000: 1.5% above Hong Kong prime rate per annum), the amounts are interest free and have no fixed terms of repayment.

(b) A list of the principal associated companies is set out in note 31 to the accounts.

15. JOINTLY CONTROLLED ENTITY

	Group	
	2001	2000
	HK\$'000	<i>HK\$'000</i>
Share of net assets	-	36,404
Amount due from a jointly controlled entity	-	3,750
	-	40,154

Particulars of the jointly controlled entity are as follows:

Name	Place of incorporation/ operation	Issued share capital	Interests attributable to the Group	Principal activity
Cyber China Inc.	British Virgin Islands	100 shares of US\$1 each	50%	Investment holding

The Group's share of net assets of the jointly controlled entity represents the Group's cost of investment plus its share of post-acquisition results and reserves in the jointly controlled entity. Under the equity method of accounting, the Group's share of losses of the jointly controlled entity is restricted to the cost of investment. As at 31 March 2001, the Group's share of the jointly controlled entity's losses exceeded its cost of investment. Accordingly, share of net assets of the jointly controlled entity is reported at nil value.

15. JOINTLY CONTROLLED ENTITY (Continued)

At 31 March 2000, the Group's investments in jointly controlled entities also included 50% interest in Beijing New World CyberBase Company Limited ("BNWCB") (formerly "Beijing Beida Jade Bird New World Network Technology Company Limited"). During the year, BNWCB became a subsidiary of the Group following the Group's acquisition of the remaining 50% interest in the company from the former joint venture partner.

16. OTHER INVESTMENTS

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Listed investments outside Hong Kong, at cost	-	77,562	-	-
Listed investments in Hong Kong, at cost	21,767	15,193	-	-
Less: Provision for diminution in value	(1,993)	-	-	-
	19,774	92,755	-	-
Unlisted investments, at cost	475,708	237,455	250	-
Less: Provision for diminution in value	(320,103)	(2,917)	-	-
	155,605	234,538	250	-
	175,379	327,293	250	-
Loans to investee companies	20,713	68,011	-	-
	196,092	395,304	250	-
Market value of listed investments	155,305	682,415		

At 31 March 2001, the carrying amount of interests in the following investment exceeded 10% of the total assets of the Group:

Name	Place of incorporation	Principal activities	Equity interest
HiTRUST.COM Incorporated	British Virgin Islands	Secure authentication and establishment of e-commerce security infrastructure	9.009%

17. RESTRICTED BANK BALANCES AND CASH DEPOSITS

Restricted bank balances and cash deposits in prior year represented the funds which were pledged as security for banking facilities granted to the Group. The security over bank balances and cash deposits was released during the year.

18. PROPERTIES HELD FOR SALE

	Group	
	2001	2000
	HK\$'000	<i>HK\$'000</i>
At cost		
At 1 April	51,780	43,600
Transfer from investment properties	-	16,100
Less: Provision for diminution in value	-	(7,920)
Disposals	(51,780)	-
At 31 March	-	51,780

19. ACCOUNTS RECEIVABLE

The Group's credit terms on the provision of services range from 30 to 60 days. The ageing analysis of trade receivables of the Group is as follows:

	2001	
	HK\$'000	<i>HK\$'000</i>
Trade receivables		
Current to 30 days	3,890	972
31 to 60 days	1,170	5
61 to 90 days	148	65
Over 90 days	1,080	777
	6,288	1,819

20. CREDITORS, DEPOSITS AND ACCRUALS

Included in the Group's creditors, deposits and accruals are trade payables and their ageing analysis is as follows:

	2001	
	HK\$'000	<i>HK\$'000</i>
Trade payables		
Current to 30 days	5,031	5,499
31 to 60 days	2,315	1,698
61 to 90 days	279	1,204
Over 90 days	2,209	5,427
	9,834	13,828

21. LONG TERM LOANS

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Secured				
Bank loans (note a)	153,522	307,664	-	-
Loan notes (note b)	230,300	-	-	-
	383,822	307,664	-	-
Unsecured				
Other loans wholly repayable within five years (note c)	139,475	84,100	-	-
Loan note (note d)	-	270,000	-	270,000
Obligation under finance lease wholly repayable within five years	-	238	-	-
Convertible notes (note e)	-	250,000	-	250,000
Loan from a minority shareholder (note f)	7,741	7,741	-	-
	147,216	612,079	-	520,000
	531,038	919,743	-	520,000
Amounts due within one year included under current liabilities	(185,404)	(503,152)	-	(270,000)
	345,634	416,591	-	250,000

Notes:

- (a) The Group's secured bank loans are wholly repayable within five years. The maturity of the Group's secured bank loans is as follows:

	2001 HK\$'000	2000 HK\$'000
Secured bank loans repayable		
- within one year	47,237	148,888
- in the second year	47,237	49,224
- in the third to fifth year inclusive	59,048	109,552
	153,522	307,664

- (b) The secured loan notes carry interest at 0.5% over Hong Kong prime rate and are repayable on or before 31 December 2002.

21. LONG TERM LOANS (Continued)*Notes: (Continued)*

- (c) Included in other loans is a loan of HK\$121,680,000 (2000: Nil) from New World Finance Company Limited ("NWF"), a wholly-owned subsidiary of New World Development Company Limited ("NWD") which is a substantial shareholder of the Company, and a loan of HK\$16,487,000 (2000: HK\$69,820,000) from Paul Y. – ITC Management Limited ("PYITCM"), a former fellow subsidiary. The loan from NWF carries interest at 2% over the HIBOR and is repayable on or before 28 February 2002. The loan from PYITCM carries interest at 2% over Hong Kong prime rate and is repayable by December 2001.
- (d) The unsecured loan note, which was in favour of PYITCM, carried interest at 0.5% over the Hong Kong prime rate and was repaid during the year.
- (e) The convertible notes in prior year carried interest at 5% per annum payable semi-annually in arrears. Each holder of the notes had the option to convert the notes into shares of HK\$0.02 each of the Company at a conversion price of HK\$0.2 per share, subject to adjustment, at any time until 12 August 2002. Included in the convertible notes was a convertible note in the amount of HK\$200,000,000 in favour of a substantial shareholder, New World CyberBase Nominee Limited. During the year, the convertible notes were converted in full into 1,250,000,000 new shares of the Company at the conversion price of HK\$0.2 per share (note 22(b)(vi)).
- (f) The loan from a minority shareholder carries interest at 5% per annum and has no fixed terms of repayment.

22. SHARE CAPITAL

	2001	2000
	HK\$'000	HK\$'000
<i>Authorised:</i>		
7,500,000,000 (2000: 4,000,000,000) ordinary shares of HK\$0.02 each	150,000	80,000
<i>Issued and fully paid:</i>		
3,805,307,441 (2000: 2,141,265,318) ordinary shares of HK\$0.02 each	76,106	42,825

- (a) During the year, the authorised capital of the Company has been increased from HK\$80,000,000 to HK\$150,000,000 by the creation of 3,500,000,000 ordinary shares of HK\$0.02 each. These shares rank pari passu in all respects with the existing shares.

22. SHARE CAPITAL (Continued)

- (b) Details of the movements in the issued and fully paid up share capital of the Company are summarised as follows:

	<i>Note</i>	Number of shares at HK\$0.02 each (before sub-division of shares: HK\$0.10 each)	<i>HK\$'000</i>
At 1 April 1999		111,832,478	11,183
Exercise of share options		10,950,000	1,095
Exercise of warrants		1,817,042	182
Balance before sub-division of shares		124,599,520	12,460
Subdivision of shares		498,398,080	–
Issue of shares through placement		800,000,000	16,000
Issue of shares for the acquisition of subsidiaries		548,000,000	10,960
Issue of shares for the acquisition of other investment		24,651,089	493
Exercise of warrants		145,616,629	2,912
At 31 March 2000 and at 1 April 2000		2,141,265,318	42,825
Issue of shares for the acquisition of associated companies	<i>(i), (iii)</i>	109,053,032	2,181
Issue of shares for the acquisition of an associated company by a jointly controlled entity	<i>(ii)</i>	90,909,091	1,818
Issue of shares for the acquisition of other investment	<i>(iv)</i>	20,330,000	407
Issue of shares for the acquisition of a subsidiary	<i>(v)</i>	193,750,000	3,875
Conversion of convertible notes	<i>(vi)</i>	1,250,000,000	25,000
At 31 March 2001		3,805,307,441	76,106

Notes:

- (i) On 17 April 2000, 51,746,442 new shares of HK\$0.02 each were issued at HK\$1.546 per share as partial consideration for the acquisition of 20% equity interest in Asia V-Sat Co. Ltd. The premium on issue of shares of approximately HK\$78,965,000 was credited to the share premium account.
- (ii) On 23 May 2000, 90,909,091 new shares of HK\$0.02 each were issued at HK\$1.65 per share as partial consideration for the acquisition of 27.9% equity interest in PRC Youth Holdings Limited by Cyber China Inc., a jointly controlled entity of the Group. The premium on issue of shares of approximately HK\$148,182,000 was credited to the share premium account.

22. SHARE CAPITAL (Continued)

(b) (Continued)

Notes: (Continued)

- (iii) On 15 June 2000, 57,306,590 new shares of HK\$0.02 each were issued at HK\$0.698 per share as partial consideration for the acquisition of 20% equity interest in Cyber On-Air Limited. The premium on issue of shares of approximately HK\$38,854,000 was credited to the share premium account.
- (iv) On 9 August 2000, 20,330,000 new shares of HK\$0.02 each were issued at HK\$0.7378 per share as partial consideration for the acquisition of 10% equity interest in China Culture Media Group Company Limited (formerly "China10k.com (BVI) Company Limited"). The premium on issue of shares of approximately HK\$14,593,000 was credited to the share premium account.
- (v) On 5 September 2000, 193,750,000 new shares of HK\$0.02 each were issued at HK\$0.48 per share as consideration for the acquisition of 100% equity interest in Jetco Technologies Limited. The premium on issue of shares of approximately HK\$89,125,000 was credited to the share premium account.
- (vi) On 19 May 2000 and 15 June 2000, 1,000,000,000 and 250,000,000 new shares of HK\$0.02 each were issued respectively at HK\$0.2 per share upon conversion of the convertible notes of the Company (Note 21(e)). The premium on issue of shares of approximately HK\$225,000,000 was credited to the share premium account (note 23(a)).

(c) Share options

The share option scheme (the "Former Share Option Scheme") adopted by the Company on 24 July 1990 has expired on 24 July 2000. Any share options which were granted under the Former Share Option Scheme and for the time being subsisting are exercisable during the option period of three years commencing from the date of grant subject to such conditions as the directors may have determined notwithstanding that the scheme period of the Former Share Option Scheme has expired.

A new share option scheme (the "New Share Option Scheme") has been adopted by the shareholders at a special general meeting of the Company held on 22 September 2000. Under the New Share Option Scheme, options may be granted to employees (including any executive directors) of the Company and its subsidiaries to subscribe for shares of the Company in accordance with the terms of the New Share Option Scheme. The share options granted under the New Share Option Scheme may be exercised during the option period of seven years commencing from the date of grant subject to such conditions as the directors may determine.

Movements of share options granted under the above schemes during the year were as follows:

Date of grant	Exercise price HK\$	Number of outstanding share options at 1 April 2000	Granted during the year	Lapsed during the year	Number of outstanding share options at 31 March 2001
17 August 1999	0.5664	82,000,000	-	(9,000,000)	73,000,000
13 January 2000	2.1480	5,185,000	-	(5,185,000)	-
17 January 2000	2.2000	800,000	-	(800,000)	-
2 May 2000	0.5328	-	800,000	-	800,000
20 May 2000	0.5888	-	800,000	(800,000)	-
22 May 2000	0.5888	-	3,000,000	-	3,000,000
22 July 2000	0.3592	-	31,158,000	(23,158,000)	8,000,000
16 November 2000	0.2328	-	2,900,000	-	2,900,000
					87,700,000

No share options were exercised during the year.

23. RESERVES**(a) Group**

	Share premium	Contributed surplus	Capital reserve	Accumulated losses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 1999	2,820	1,040,649	56	(649,592)	393,933
Issue of shares	789,000	-	-	-	789,000
Share issue expenses	(41,855)	-	-	-	(41,855)
Issue of shares for the acquisition of					
- subsidiaries	221,040	-	-	-	221,040
- other investment	61,751	-	-	-	61,751
Premium on exercise of share options and warrants	29,613	-	-	-	29,613
Goodwill on acquisition of subsidiaries (note 26(c))	-	-	(279,278)	-	(279,278)
Disposal of subsidiaries (note 26(b))	-	-	(154)	-	(154)
Loss for the year	-	-	-	(313,904)	(313,904)
At 31 March 2000 and at 1 April 2000	1,062,369	1,040,649	(279,376)	(963,496)	860,146
Issue of shares for the acquisition of					
- a subsidiary	89,125	-	-	-	89,125
- associated companies	117,819	-	-	-	117,819
- jointly controlled entity	148,182	-	-	-	148,182
- other investments	14,593	-	-	-	14,593
Conversion of convertible notes (note 22(b)(vi))	225,000	-	-	-	225,000
Share issue expenses	(542)	-	-	-	(542)
Goodwill on acquisition of subsidiaries (note 26(c))	-	-	(108,763)	-	(108,763)
Goodwill on acquisition of associated companies	-	-	(255,618)	-	(255,618)
Share of goodwill of a jointly controlled entity	-	-	(153,385)	-	(153,385)
Realisation of goodwill on					
- disposal of subsidiaries (note 26(b))	-	-	128,490	-	128,490
- write-off of associated companies	-	-	56,108	-	56,108
- deemed disposal of associated companies	-	-	9,794	-	9,794
- write-off of other investment previously acquired as an associated company	-	-	105	-	105
Loss for the year	-	-	-	(821,284)	(821,284)
At 31 March 2001	1,656,546	1,040,649	(602,645)	(1,784,780)	309,770
Retained by:					
Company and subsidiaries	1,656,546	1,040,649	(602,645)	(1,591,031)	503,519
Associated companies	-	-	-	(193,749)	(193,749)
	1,656,546	1,040,649	(602,645)	(1,784,780)	309,770
At 31 March 2000					
Retained by:					
Company and subsidiaries	1,062,369	1,040,649	(279,376)	(815,334)	1,008,308
Associated companies	-	-	-	(147,145)	(147,145)
Jointly controlled entity	-	-	-	(1,017)	(1,017)
	1,062,369	1,040,649	(279,376)	(963,496)	860,146

23. RESERVES (Continued)**(b) Company**

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 1999	2,820	1,040,649	(4,401)	1,039,068
Issue of shares	789,000	-	-	789,000
Share issue expenses	(41,855)	-	-	(41,855)
Issue of shares for the acquisition of				
- subsidiaries	221,040	-	-	221,040
- other investment	61,751	-	-	61,751
Premium on exercise of share options and warrants	29,613	-	-	29,613
Loss for the year	-	-	(10,766)	(10,766)
At 31 March 2000 and at 1 April 2000	1,062,369	1,040,649	(15,167)	2,087,851
Issue of shares for the acquisition of				
- a subsidiary	89,125	-	-	89,125
- associated companies	117,819	-	-	117,819
- jointly controlled entity	148,182	-	-	148,182
- other investment	14,593	-	-	14,593
Conversion of convertible notes	225,000	-	-	225,000
Share issue expenses	(542)	-	-	(542)
Loss for the year	-	-	(1,598,795)	(1,598,795)
As 31 March 2001	1,656,546	1,040,649	(1,613,962)	1,083,233

In the opinion of the directors, the Company did not have distributable reserves at 31 March 2001 (2000: HK\$1,025,482,000).

24. CONTINGENT LIABILITIES

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Guarantees in respect of credit facilities granted to subsidiaries	-	-	121,680	291,764
Guarantee in respect of credit facilities granted to an associated company	86,000	86,000	86,000	86,000
	86,000	86,000	207,680	377,764

25. COMMITMENTS**(a) Capital commitments**

	Group	
	2001 HK\$'000	2000 HK\$'000
Contracted but not provided for in respect of		
- plant and equipment	-	88,486
- other investments	138,795	373,667
	138,795	462,153

(b) Commitments under operating leases

At 31 March 2001, the Group had commitments to make payments in the next twelve months under operating leases which expire as follows:

	2001	2001	2000	2000
	Land and buildings HK\$'000	Others HK\$'000	Land and buildings HK\$'000	Others HK\$'000
Within one year	2,436	824	-	-
In the second to fifth year inclusive	10,540	827	6,377	-
	12,976	1,651	6,377	-

26. CONSOLIDATED CASH FLOW STATEMENT**(a) Reconciliation of loss before taxation to net cash outflow from operating activities**

	2001	2000
	HK\$'000	HK\$'000
Loss before taxation	(824,290)	(313,904)
Share of results of associated companies	37,873	(6,560)
Share of losses of jointly controlled entities	3,095	1,017
Interest income	(15,267)	(14,288)
Interest expense	69,046	72,699
Depreciation	48,156	24,642
Loss/(profit) on disposal of subsidiaries	221,949	(166)
Provision for diminution in value of other investments	319,284	2,917
Deficit on revaluation of investment properties	23,000	185,800
Write-off of associated companies	69,217	-
Profit on disposal of other investments	(177,520)	-
Loss on deemed disposal of associated companies	9,214	-
Recovery of doubtful debts	(177)	(20,000)
Provision for diminution in value of properties held for sale	-	7,920
Loss on disposal of investment properties	-	3,938
Loss on disposal of plant and equipment	11,405	-
Decrease in accounts receivable, other receivables, prepayments and deposits	726	19,910
Increase/(decrease) in creditors, deposits and accruals	11,180	(8,276)
Net cash outflow from operating activities	(193,109)	(44,351)

26. CONSOLIDATED CASH FLOW STATEMENT (Continued)**(b) Disposal of subsidiaries**

	2001	2000
	HK\$'000	HK\$'000
Net assets disposed:		
Accounts receivable, deposits and prepayments	12,383	–
Properties held for sale	51,780	–
Property, plant and equipment	184,386	–
Bank balances and cash	11,382	–
Other investments and loan to an investee company	44,281	–
Creditors, deposits and accruals	(3,597)	(12)
Bank loan	(23,000)	–
	277,615	(12)
Goodwill	128,490	(154)
(Loss)/gain on disposal of subsidiaries	(221,949)	166
	184,156	–
Satisfied by:		
Cash consideration	184,156	–

The subsidiaries disposed of during the year contributed an inflow of HK\$168,028,000 to the Group's net operating cash outflows (2000: Nil), received HK\$1,777,000 (2000: Nil) in respect of net returns on investments and servicing of finance, contributed HK\$245,390,000 (2000: Nil) to the Group's investing activities, paid HK\$5,000,000 (2000: Nil) for financing activities (2000: Nil) and HK\$6,000 (2000: Nil) in respect of taxation.

Analysis of net inflow of cash and cash equivalents in respect of disposals of subsidiaries

	2001	2000
	HK\$'000	HK\$'000
Cash consideration	184,156	–
Bank balances and cash disposed of	(11,382)	–
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	172,774	–

26. CONSOLIDATED CASH FLOW STATEMENT (Continued)**(c) Acquisition of subsidiaries**

	2001	2000
	HK\$'000	HK\$'000
Net assets acquired:		
Property, plant and equipment	11,602	183,791
Accounts receivable, deposits and prepayments	8,461	1,236
Bank balances and cash	41,857	2,377
Creditors, deposits and accruals	(15,517)	(1,196)
Minority interests	(5,817)	-
Bank loans	-	(2,180)
Obligation under finance lease	-	(238)
Loans from minority interests	-	(30,855)
Provision for taxation	-	(213)
	40,586	152,722
Less: Interest originally held by the Group as jointly controlled entity	(33,674)	-
	6,912	152,722
Goodwill	108,763	279,278
	115,675	432,000
Satisfied by:		
Issue of shares	93,000	232,000
Cash	22,675	-
Issue of convertible notes	-	200,000
	115,675	432,000

The subsidiaries acquired during the year contributed HK\$55,000 (2000: HK\$111,255,000) to the Group's net operating cash outflows, paid HK\$942,000 (2000: Nil) in respect of the net returns on investments and servicing of finance, contributed HK\$1,601,000 (2000: utilised HK\$100,416,000) to the Group's investing activities, paid HK\$2,921,000 (2000: HK\$30,855,000) for financing activities and HK\$63,000 (2000: Nil) in respect of taxation.

26. CONSOLIDATED CASH FLOW STATEMENT (Continued)**(c) Acquisition of subsidiaries** (Continued)

Analysis of net inflow of cash and cash equivalents in respect of acquisition of subsidiaries

	2001	2000
	HK\$'000	HK\$'000
Cash consideration	(22,675)	–
Deposit paid in prior year	12,500	–
Bank balances and cash acquired	41,857	2,377
Net inflow of cash and cash equivalents in respect of acquisition of subsidiaries	31,682	2,377

(d) Analysis of changes in financing during the year

	Share capital (including premium)	Long term loans	Convertible notes	Minority interests	Restricted bank balances and cash deposits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 1999	14,003	688,735	–	–	–	702,738
Net cash inflow/(outflow) from financing	796,947	(29,151)	50,000	(23,114)	(76,068)	718,614
Issue of shares for the acquisition of						
– subsidiaries	232,000	2,418	200,000	30,855	–	465,273
– other investment	62,244	–	–	–	–	62,244
Balance at 1 April 2000	1,105,194	662,002	250,000	7,741	(76,068)	1,948,869
Net cash (outflow)/inflow from financing	(542)	(115,705)	–	–	76,068	(40,179)
Non-cash considerations						
Conversion of convertible notes	250,000	–	(250,000)	–	–	–
Issue of shares for the acquisition of						
– a subsidiary	93,000	–	–	5,817	–	98,817
– associated companies	120,000	–	–	–	–	120,000
– jointly controlled entity	150,000	–	–	–	–	150,000
– other investment	15,000	–	–	–	–	15,000
Disposal of subsidiaries	–	(23,000)	–	–	–	(23,000)
Minority interests' share of losses	–	–	–	(2,921)	–	(2,921)
Balance at 31 March 2001	1,732,652	523,297	–	10,637	–	2,266,586

26. CONSOLIDATED CASH FLOW STATEMENT (Continued)**(e) Major non-cash transactions**

During the year, the Group acquired certain subsidiaries, associated companies and other investments. Part of the considerations for the acquisitions were satisfied by issuance of the Company's shares. Further details of such acquisitions are set out in note 22(b).

27. RELATED PARTY TRANSACTIONS

Significant related party transactions which were carried out in the normal course of the Group's businesses are as follows:

	2001	2000
	HK\$'000	HK\$'000
Interest income from associated companies (note a)	5,085	4,733
Services rendered to associated companies (note b)	2,290	–
Interest expense to a related company (note c)	7,808	–
Purchases of equipment from related companies (note d)	1,007	3,207
Advertising income from a related company (note e)	127	110
Card access income from a related company (note e)	530	761
Service fees to a related company (note f)	2,292	4,439
Rental expenses to related companies (note g)	11,039	1,650
Renovation expenses to a related company (note h)	886	946
Portal development charge and facility management fee from a related company (note i)	3,817	–

Notes:

- (a) The amount represents interest income in respect of amount due from an associated company. The amount carries interest at 1.5% over the Hong Kong prime rate and have no fixed terms of repayment.
- (b) Service rendered to associated companies are charged on prices and terms no less favorable than those charged to and contracted with other third party customers.
- (c) Interest expense was paid to New World Finance Company Limited in respect of a loan to the Group at 2% over the HIBOR in accordance with the loan agreement.
- (d) Purchases of equipment were conducted in the normal course of business at prices and in accordance with the terms of contracts.
- (e) Advertising income and card access income were charged on prices and terms no less favorable than those charged to and contracted with other third party customers.
- (f) Service fees were charged for the provision of office space, general and administrative and accounting services, repair and maintenance services, professional expenses, and other office facilities. The terms and prices were negotiated at arm's length basis.
- (g) Rental expenses were charged based on a fixed rate in accordance with the tenancy agreements.
- (h) Renovation expenses were paid on normal commercial terms and in the ordinary course of business.
- (i) During the year, certain wholly-owned subsidiaries of the Company have entered into a development agreement and a facility management contract with New World BioSciences Co. Limited, a wholly-owned subsidiary of NWD, to create, develop, implement and integrate the "Fulintang" portal and provide facility management and network services for the "Fulintang" portal. The portal development charge and facility management fee were charged at prices and terms no less favorable than those charged to and contracted with other third party customers.

27. RELATED PARTY TRANSACTIONS *(Continued)*

Items (c) to (i) also constitute connected transactions as defined under the Listing Rules.

Items (d) to (f) have been granted a waiver by the Stock Exchange from strict compliance with the requirements of Chapter 14 of the Listing Rules.

Items (g) and (h) have been published in an announcement of the Company dated 15 February 2000.

Item (i) has been published in an announcement of the Company dated 14 September 2000.

28. SUBSEQUENT EVENTS

- (a) In June 2001, the Group entered into a sale and purchase agreement under which the Group agreed to sell certain network infrastructure, system and equipment in relation to the Group's data centre business (the "data centre assets") to New World Telephone Limited ("NWT"), a subsidiary of NWD, at a consideration of approximately HK\$7,962,000. The net book value of the data centre assets at 31 March 2001 was approximately HK\$10,518,000. In the circumstances, the directors are of the opinion that the recoverable amounts of the assets in the data centre other than those being disposed also declined below their carrying amounts. Accordingly, an additional provision for depreciation of HK\$7,503,000 was made in the accounts (note 12).
- (b) In July 2001, the Group entered into a conditional sale and purchase agreement under which the Group agreed to sell its entire interests in HiTRUST.COM Incorporated, an investment of the Group, and HiTRUST.COM (HK) Incorporated Limited, an associated company of the Group, through the sale of the entire issued share capital of Bostar Limited and Hitech Logistics Limited, wholly-owned subsidiaries of the Company, to Marginal Gain Profits Limited ("Marginal Gain"), a wholly-owned subsidiary of NWD. The aggregate consideration is approximately HK\$15.6 million, payable in cash by Marginal Gain and the release of the Group's obligation to repay a term loan of HK\$121.68 million. It is estimated that the gain on disposals is approximately HK\$8 million.

29. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 12 July 2001.

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries which materially affect the results or assets of the Group as at 31 March 2001 are as follows:

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
* Aldgate Agents Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Asset King Development Limited	Hong Kong	2 shares of HK\$1 each	100%	Property investment
Beijing Jetco Electronic Technologies Co., Ltd.	People's Republic of China	US\$5 00,000	90%	Computer software development
Beijing New World CyberBase Company Limited (formerly "Beijing Beida Jade Bird New World Network Technology Company Limited")	People's Republic of China	RMB8 0,000,000	100%	Software development and system integration
* Blue Velvet Venture Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Boondall Properties Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Bostar Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* buzyDOCK Holdings Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Clear View Technology Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Cyber Datalive Limited	Hong Kong	3,529,412 shares of HK\$1 each	85%	Inactive
* Cyber Network Technology Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Cybersmart Company Limited	British Virgin Islands	1 share of US\$1	100%	Inactive

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
Danwei Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Darierian Worldwide Limited	British Virgin Islands	100 shares of US\$1 each	51%	Investment holding
* Direct Quality Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* East Bay Venture Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Eddisbury Holdings Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
eHongKong.com (H.K.) Limited	Hong Kong	2 shares of HK\$1 each	51%	Internet content provider
EHongKong.com, Inc.	United States of America	1 share of US\$1	51%	Internet content provider
* Excel-Foundation Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Face-to-Face Profits Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Furlan Limited	British Virgin Islands/ Hong Kong	100 shares of US\$1 each	100%	Investment holding
* Gamerian Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Gold Edge Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Hitech Logistics Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* i-Datum Ltd.	British Virgin Islands	1 share of US\$1	100%	Investment holding

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
Jadesails Investments Limited	Hong Kong	10,000 shares of HK\$1 each	100%	Property investment
Jetco Technologies Limited	Hong Kong	1,250,000 shares of HK\$1 each	100%	Investment holding
* Joyworth Investments Limited	British Virgin Islands	1 share of US\$1	100%	Inactive
Lucklong Venture Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Marrick Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Maxforce Worldwide Ltd.	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Million Dollar Trading Limited	British Virgin Islands	1 share of US\$1	100%	Inactive
* Monit Overseas Ltd.	British Virgin Islands	1 share of US\$1	100%	Investment holding
* New View Venture Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* New World Cyberbase (B.V.I.) Limited	British Virgin Islands	2 shares of US\$1 each	100%	Investment holding
* New World CyberBase (Greater China) Limited	Hong Kong	2 shares of HK\$1 each	100%	Management services
New World CyberBase Network Limited	Hong Kong	2 shares of HK\$1 each	100%	Investment holding
* New World CyberBase Services Limited	Hong Kong	2 shares of HK\$1 each	100%	Provision of secretarial and nominee services
New World CyberBase (Shanghai) Limited	People's Republic of China	US\$1,200,000 (Note)	100%	Software development and system integration

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
New World CyberBase Solutions Limited	Hong Kong	2 shares of HK\$1 each	100%	Investment holding
* New World CyberBase Solutions (BVI) Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
New World CyberBase Solutions (HK) Limited (formerly "buzzyDOCK Limited")	Hong Kong	2 shares of HK\$1 each	100%	e-Business solutions services
New World CyberBase Solutions (US) Limited	United States of America	4,000 shares at US\$1 each	100%	Facilities-managed data centre and Internet related services
* Ormond Resources Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
PacLink Communications International Inc.	United States of America	4,000 shares of US\$1 each	48.45%	Internet and worldwide web services
Paul Y. Properties Management Limited	Hong Kong	2 shares of HK\$1 each	100%	Management services
Paul Y. Real Estate Agency Limited	Hong Kong	2 shares of HK\$1 each	100%	Real estate agency services
Quinway Company Limited	Hong Kong	10,000 shares of HK\$1 each	100%	Property investment
* Sethwick Holdings Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Shanghai Jetco Technologies Ltd.	People's Republic of China	US\$300,000	92%	Computer software development
* Silver Power Venture Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Smart Strategy Investments Limited	British Virgin Islands	1 share of US\$1	51%	Inactive

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
* Super Points Investments Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Viewnet Assets Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
* Virtual Data International Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Virtually Real Limited	Hong Kong	1,690 shares of HK\$1 each	51%	Multimedia content production
* Zetland International Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding

* Subsidiaries directly held by the Company.

Note: During the year, US\$180,000 of the registered capital has been paid up.

31. PARTICULARS OF PRINCIPAL ASSOCIATED COMPANIES

Details of the Company's principal associated companies which materially affect the results or assets of the Group as at 31 March 2001 are as follows:

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
Anshan Development Inc.	British Virgin Islands	1 share of US\$1	20%	Investment holding
Asia V-Sat Co. Ltd.	British Virgin Islands	5,850,000 shares of US\$1 each	20%	Internet and e-commerce services
beenz.com Greater China Limited	Hong Kong	100 shares of HK\$1 each	45%	Establishment and operation of Internet rewards and direct marketing services
Billdon Agents Limited	British Virgin Islands	1 share of US\$1	20%	Investment holding

31. PARTICULARS OF PRINCIPAL ASSOCIATED COMPANIES *(Continued)*

Name	Place of incorporation/ operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
Blessea Development Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development
eGuanxi (Cayman) Limited	Cayman Islands	6,667,000 shares of US\$0.001 each	25%	Software research and development, Internet and information technology and investment related activities
Excellence Ocean Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development
Get Rich Enterprises Limited	Hong Kong	2 shares of HK\$1 each	20%	Investment holding and property investment
Gold Button Inc.	British Virgin Islands	1 share of US\$1	20%	Investment holding
Goldrite Corporation	British Virgin Islands	1 share of US\$1	20%	Investment holding
HiTRUST.COM (HK) Incorporated Limited	Hong Kong	5,823,774 shares of HK\$1 each	42.13%	Secure authentication and establishment of e-commerce security infrastructure
Honour Base Inc.	British Virgin Islands	1 share of US\$1	20%	Investment holding
Linkforce Investments Limited	British Virgin Islands	100 shares of US\$1 each	20%	Investment holding
Luckson Wealth Limited	Hong Kong	2 shares of HK\$1 each	20%	Money lending
Ocean Place Properties Limited	British Virgin Islands	1 share of US\$1	20%	Investment holding
Oceanic Union Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development

31. PARTICULARS OF PRINCIPAL ASSOCIATED COMPANIES *(Continued)*

Name	Place of incorporation/operation	Issued/registered share capital	Interests attributable to the Group	Principal activities
Oceanlion Investments Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development
Oriental Land Investment Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development
Rich Favour Ltd.	British Virgin Islands	1 share of US\$1	20%	Investment holding
Rich Harvest Development Limited	British Virgin Islands	1 share of US\$1	20%	Investment holding
Smart Win Enterprises Limited	British Virgin Islands	1 share of US\$1	20%	Investment holding
Union Rich Resources Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development
Wonder Agents Limited	British Virgin Islands	1 share of US\$1	20%	Investment holding
Wonder Pacific Limited	Hong Kong	2 shares of HK\$1 each	20%	Property development