

## 15. INTERESTS IN ASSOCIATES

|  | <b>GROUP</b>    |          |
|--|-----------------|----------|
|  | <b>2001</b>     | 2000     |
|  | <b>HK\$'000</b> | HK\$'000 |
| Share of net assets other than goodwill          | <b>3,796</b>    | 5,971    |
| Loans to an associate                            | <b>297,007</b>  | 250,232  |
| Amount due from an associate                     | <b>217</b>      | 217      |
|  | <b>301,020</b>  | 256,420  |
| Portion classified as current assets             | <b>(217)</b>    | (217)    |
| Non-current portion                              | <b>300,803</b>  | 256,203  |
| At the balance sheet date:                       |                 |          |
| Share of post-acquisition undistributed reserves | <b>925</b>      | 3,100    |

The loans to the associate are unsecured, bear interest at rates ranging from 1.899% to 2.045% per annum above HIBOR (2000: 1.888% to 2.053% per annum above HIBOR) and are not repayable within one year.

The amount due from the associate is unsecured, interest-free and has no fixed terms of repayment.

The shares of net assets and post-acquisition undistributed reserves represent the shares attributable to the Group before the Group's minority interests therein.

The Group's share of the net losses accumulated by the associates for the year amounted to HK\$1,499,000 (2000: share of net profits retained of HK\$2,011,000).

Particulars of the associates, all of which are corporations, at the balance sheet date are as follows:

| <b>Company name</b>                                       | <b>Place of incorporation/<br/>registration<br/>and operations</b> | <b>Issued<br/>and fully paid<br/>share capital/<br/>and paid-up<br/>capital</b> | <b>Percentage<br/>of equity<br/>attributable to<br/>the Group</b> |      | <b>Principal<br/>activities</b> |
|---|--|---|---|------|---------------------------------|
|   |  |   | <b>2001</b>   | 2000 |                                 |
| Guangzhou Chong Hing Property Development Company Limited | PRC  | RMB<br>170,000,000  | <b>30%</b>  | 30%  | Property<br>development         |
| Linktime International Development Limited                | British Virgin<br>Islands  | Ordinary<br>US\$10  | <b>30%</b>  | 30%  | Inactive                        |
| Speed World Investment Limited ("Speed World")            | Hong Kong  | Ordinary<br>HK\$100   | <b>30%</b>  | 30%  | Investment<br>holding           |

All associates are indirectly held by the Company.

The financial statements of the above associates have a financial year ending 31st December.

## 15. INTERESTS IN ASSOCIATES (continued)

A summary of the results and the net liabilities of Speed World, a material associate, is as follows:

Results:

|                     | Year ended         |                  |
|---------------------|--------------------|------------------|
|                     | 31st December,     |                  |
|                     | 2000               | 1999             |
|                     | HK\$'000           | HK\$'000         |
| Total income        | <u>76</u>          | <u>62</u>        |
| Loss for the year   | <u>(4,985)</u>     | <u>(3)</u>       |
| Net liabilities:    |                    |                  |
|                     | 31st December,     |                  |
|                     | 2000               | 1999             |
|                     | HK\$'000           | HK\$'000         |
| Non-current assets  | 1,008,511          | 834,361          |
| Current assets      | 20,358             | 15,609           |
| Current liabilities | <u>(1,064,156)</u> | <u>(878,015)</u> |
|                     | <u>(35,287)</u>    | <u>(28,045)</u>  |

Speed World did not have any contingent liabilities as at 31st December, 2000 (1999: Nil).

## 16. INVESTMENT SECURITIES

|                                      | GROUP        |              |
|--------------------------------------|--------------|--------------|
|                                      | 2001         | 2000         |
|                                      | HK\$'000     | HK\$'000     |
| Unlisted equity investments, at cost | <u>6,000</u> | <u>6,000</u> |

## 17. OTHER INVESTMENTS AND RELATED ADVANCES

|  | GROUP            |                  | COMPANY          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2001<br>HK\$'000 | 2000<br>HK\$'000 | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
| Other investments, at fair value:                                |                  |                  |                  |                  |
| Listed equity investment   |                  |                  |                  |                  |
| in Hong Kong   | 2,053            | —                | 2,053            | —                |
| Unlisted equity investments                                      | 175,195          | —                | 13,528           | —                |
|  | <u>177,248</u>   | <u>—</u>         | <u>15,581</u>    | <u>—</u>         |
| Advances to investees  | 5,960            | —                | 1,552            | —                |
|  | <u>183,208</u>   | <u>—</u>         | <u>17,133</u>    | <u>—</u>         |
| Market value of Hong Kong listed equity investment at 31st March | <u>2,053</u>     | <u>—</u>         | <u>2,053</u>     | <u>—</u>         |

The advances to investees are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the other investments as at the balance sheet date are as follows:

| Company name                               | Place of incorporation | Class of shares held | Attributable equity interest |         |
|--|------------------------|----------------------|------------------------------|---------|
|  |                        |                      | Group                        | Company |
| Asiaprice.com Limited                      | Hong Kong              | Ordinary             | 13.33%                       | —       |
| Autopower Technology Limited (“Autopower”) | British Virgin Islands | Ordinary             | 50%                          | 50%     |
| Green Choice Technology Limited            | British Virgin Islands | Ordinary             | 25%                          | —       |
| PiLink International Limited (“PiLink”)    | British Virgin Islands | Ordinary             | 22%                          | —       |
| vLink Global Limited (“vLink”)             | Bermuda                | Ordinary             | 0.75%                        | 0.75%   |
| World Class Technology Limited             | British Virgin Islands | Ordinary             | 20%                          | —       |

Included in other investments of the Group and the Company at 31st March, 2001 are investments in 20% or more equity interest in certain private companies (the “Investees”) with fair values of HK\$173,528,000 and HK\$13,528,000, respectively. The Investees are not treated as associates, because in the opinion of the Directors, the Investees were acquired and held with a view to the ultimate realisation of capital gain and to their subsequent disposal in the near future.