

33. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the following significant events of the Group, not disclosed elsewhere in the financial statements, took place:

- (a) In addition to the loan facility of HK\$29.5 million granted by the Financial Creditor during the year (note 29), the Group further borrowed two loans of HK\$4 million and HK\$16 million from the Financial Creditor pursuant to two loan agreements dated 26th April, 2001 and 10th May, 2001, respectively. The loans are unsecured, bear interest at Hong Kong dollar prime rate plus 4% per annum and are repayable on 25th July, 2001 and 9th August, 2001, respectively.
- (b) During the year, three financial creditors took legal actions against the Company to demand the repayment of certain other loans in the aggregate principal sum of HK\$28 million and served two winding-up petitions against the Company.

In April 2001, a creditor took legal action against the Group to demand the repayment of a debt of approximately HK\$0.7 million and a winding-up petition was filed against the Company.

All the above legal claims/petitions were properly accrued as at 31st March, 2001 and were subsequently dismissed or withdrawn in April/May 2001 after the full and final settlement of the corresponding debts using the funding provided by the Financial Creditor.

- (c) Subsequent to the balance sheet date, all the shares of vLink received by the Group under two share exchange agreements (note 2) were disposed of for a total cash consideration of approximately HK\$10 million thereby, resulting in a loss of approximately HK\$43.4 million. The proceeds were used to provide additional working capital/finance new investments of the Group.
- (d) On 25th May, 2001, the Company entered into a deed of assignment (the "Assignment") with a financial creditor. Pursuant to the Assignment, the Company assigned the Group's interest in a PRC project with a carrying value of HK\$15 million as at 31st March, 2001 to that financial creditor to set-off an other loan of approximately HK\$15 million together with the corresponding interest payable.
- (e) On 1st June, 2001, the Company entered into a sale and purchase agreement with an independent third party for the acquisition of a 29.58% equity interest in a private investment holding company for a cash consideration of HK\$10 million. The principal business of the investment is the hosting of a web-site.

As at the current date, a HK\$4 million deposit was paid and pending completion of a due diligence exercise this acquisition has not been completed.

- (f) On 11th June, 2001, the Company entered into a sale and purchase agreement for the disposal of the Company's entire interest in an other investment, Autopower, including an advance of approximately HK\$1.6 million, for a total cash consideration of HK\$15 million. The disposal was completed on the same date and no material gain/loss arose from this disposal. Part of the consideration of HK\$1.5 million was received by the Company in June 2001 and the remaining of HK\$13.5 million would be settled on or before 10th December, 2001 pursuant to the sale and purchase agreement.
- (g) On 19th June, 2001, the Group entered into a sale and purchase agreement with an independent third party for the disposal of certain properties held for sale in Guangzhou at a cash consideration of HK\$1 million. No material gain/loss is expected from this disposal.

As at the current date, a HK\$0.1 million deposit was received by the Group and this disposal has not been completed.

34. COMPARATIVE AMOUNTS

To provide more comparable information about the Group's "prepayments, deposits and other receivables" and "other payables and accrued liabilities", certain comparative amounts have been reclassified to conform with the current year's presentation.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 23rd July, 2001.