

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 18 Jointly controlled entities *(Continued)*

(b) Deposits for investment in jointly controlled entities

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Deposits for the investment in jointly controlled entities	17,000	—	—	—
Provision	(17,000)	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

In connection with the formation of the jointly controlled entities referred to in Note 18(a), the Group has entered into an agreement dated 8th June, 2000 with the joint venture partners and paid a deposit of HK\$20 million to a related company of the joint venture partners as earnest money for an exclusive cooperative arrangement with the joint venture partners. Upon the establishment of the jointly controlled entities, the agreement provides that the deposit will be applied to pay up the registered capital of the jointly controlled entities attributable to the Group. HK\$3 million has since then been refunded to the Group and the remaining balance of HK\$17 million has been utilised by the joint venture partners in the production of educational program which was planned to be a business activity to be undertaken by one of the jointly controlled entities. The joint venture partners have agreed to repay the balance to the Group using sales proceeds from the sales of the programs.

There is no satisfactory evidence available as to whether the sales of the programs are forthcoming and accordingly the likelihood of recovering the deposit from the joint venture partners is uncertain. In connection with the deposit, the major shareholder of the Company, Uni-Tech International Group Limited has provided a guarantee to the Company to reimburse any loss that the Group may suffer due to non repayment by the joint venture partners. The Company's directors have assessed the matter and decided to make a full provision against the deposit notwithstanding the guarantee provided by the major shareholder.

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 19 Inventories

	Group	
	2001 HK\$'000	2000 HK\$'000
General merchandise	1,417	1,647
Fine jewellery	4,327	4,327
Less: Provision	(2,616)	(2,540)
	<u>3,128</u>	<u>3,434</u>

The amounts of fine jewellery that are carried at net realisable value amounted to HK\$2,147,000 (2000: HK\$2,147,000).

## 20 Trade and other receivables

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Trade receivables ( <i>note (a)</i> )	1,753	738	—	—
Prepayments, deposits and other receivables	<u>9,778</u>	<u>816</u>	<u>6,205</u>	<u>112</u>
	<u>11,531</u>	<u>1,554</u>	<u>6,205</u>	<u>112</u>

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 20 Trade and other receivables *(Continued)*

- (a) The majority of the balance are rental receivables from tenants and are covered by the tenants' rental deposit.

At 31st March, 2001, the ageing analysis of the trade receivables were as follows:

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Current	324	257	—	—
30 - 60 days	224	273	—	—
61 - 90 days	207	132	—	—
Over 90 days	998	76	—	—
	<u>1,753</u>	<u>738</u>	<u>—</u>	<u>—</u>

## 21 Trade and other payables

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Due to:				
Former ultimate holding company ( <i>note 22</i> )	625	625	—	—
Former fellow subsidiaries ( <i>note 22</i> )	962	847	—	—
Trade payables ( <i>note (a)</i> )	1,233	1,774	—	—
Accruals and other payables	18,543	31,935	5,379	2,037
	<u>21,363</u>	<u>35,181</u>	<u>5,379</u>	<u>2,037</u>

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 21 Trade and other payables *(Continued)*

(a) At 31st March, 2001, the ageing analysis of the trade payables were as follows:

	Group		Company	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Current	99	95	—	—
30 - 60 days	157	93	—	—
61 - 90 days	146	96	—	—
Over 90 days	831	1,490	—	—
	<u>1,233</u>	<u>1,774</u>	<u>—</u>	<u>—</u>

## 22 Amounts due to former ultimate holding company and fellow subsidiaries

The amounts due to former ultimate holding company and fellow subsidiaries are unsecured, interest free and have no fixed terms of repayment.

## 23 Loan from a former fellow subsidiary

Loan from a former fellow subsidiary is unsecured, interest bearing at prime rate plus 2% per annum and is repayable on demand.

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 24 Share capital

Authorised:

	Ordinary shares of HK\$0.01 (At 31st March, 2000: HK\$0.10) each	
	Number of shares	HK\$'000
At 1st April, 2000	10,000,000,000	1,000,000
Reduction of share capital from HK\$0.10 each to HK\$0.01 each ( <i>note (a)</i> )	—	(900,000)
At 31st March, 2001	<u>10,000,000,000</u>	<u>100,000</u>

Issued and fully paid:

	Ordinary shares of HK\$0.01 (At 31st March, 2000: HK\$0.10) each	
	Number of shares	HK\$'000
At 1st April, 2000	647,978,320	64,798
Reduction of share capital from HK\$0.10 each to HK\$0.01 each ( <i>note (a)</i> )	—	(58,318)
Issue of shares of HK\$0.01 each ( <i>notes (b) and (c)</i> )	<u>2,411,287,680</u>	<u>24,113</u>
At 31st March, 2001	<u>3,059,266,000</u>	<u>30,593</u>

# NOTES TO THE ACCOUNTS *(Continued)*

FOR THE YEAR ENDED 31ST MARCH, 2001

## 24 Share capital *(Continued)*

- (a) By a resolution passed in the special general meeting held on 3rd April, 2000, the nominal and paid up value of each share in the issued share capital of the Company and the nominal value of each share in the authorised share capital of the Company were reduced from HK\$0.10 to HK\$0.01 each and the reduction recognized as contributed surplus (note 26).
- (b) Pursuant to a share subscription agreement completed on 15th May, 2000, Uni-Tech International Group Limited ("Uni-Tech") and Top Century Investments Company Limited subscribed for 2,238,470,560 and 58,907,120 new shares of the Company respectively at a price of HK\$0.051 per share. Pollon Internet Corporation, the holding company of Uni-Tech, has become the ultimate holding company of the Group from then onwards.
- (c) On 18th September, 2000 and 22nd December, 2000, 55,000,000 and 58,910,000 ordinary shares of HK\$0.01 each respectively were issued at a price of HK\$1.20 per share to third party institutional investors upon completion of subscription agreements.

## 25 Share option scheme

On 28th May, 1998, a share option scheme was approved at a special general meeting of the Company under which the directors may, at their discretion, invite full time employees including executive directors of any member of the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. Details of share options granted to the employees and directors of the Group are as follows:

Date of grant	Exercise price HK\$	Number of share options		
		Granted during the year	Cancelled during the year	Outstanding at 31st March, 2001
13th July, 2000	0.99	147,900,000	29,850,000	118,050,000
20th November, 2000	0.792	49,200,000	—	49,200,000
9th January, 2001	0.566	12,000,000	—	12,000,000
20th March, 2001	0.3304	17,200,000	—	17,200,000