

43. POST BALANCE SHEET EVENTS - continued

- (b) As announced by the Company on 17 April 2001, the Company entered into a letter of intent of a non-legally binding nature with a state-owned enterprise established in the People's Republic of China (the "PRC Partner") on 14 April 2001 for a proposed investment opportunity by the parties relating to a joint venture in the electrolysis business. The PRC Partner is an independent third party not connected with the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, or an associate of any of them. Detailed terms of the proposed investment have not been agreed by the parties as at the date of this report. In addition, the Company and the PRC Partner intend to, subject to further discussions, consider the possible investment by the PRC Partner in the Company as a strategic shareholder. Such discussions are at the date of this report at a preliminary stage and no terms have been indicated nor finalised, and the investment by the PRC Partner may or may not proceed.
- (c) As announced by the Company on 5 June 2001, Magical Profits Limited proposed to place 93,040,000 then existing shares of HK\$0.10 each in the capital of the Company through an independent placing agent to independent outside parties and conditionally agreed to subscribe for 147,074,000 new shares in the capital of the Company at HK\$0.23 per share. The Company further announced on 5 July 2001 that the relevant placing agreement and subscription agreement were terminated on 4 July 2001 and the proposed placing and subscription would not proceed.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2001 are as follows:

Name of subsidiary	Place of incorporation and operation	Nominal value of issued share capital	Proportion of nominal value of issued share capital held by the Company		Principal activities
			Directly	Indirectly	
Cheong Ko Investment Company Limited	Hong Kong	Ordinary HK\$2 (Non-voting preferred HK\$10,000)*	—	100%	Property holding
Easyknit BVI Limited	British Virgin Islands/Hong Kong	Ordinary US\$100	100%	—	Investment holding
Easyknit International Limited	British Virgin Islands/Hong Kong	Ordinary US\$1	100%	—	Investment holding
Easyknit International Trading Company Limited	Hong Kong	Ordinary HK\$2	—	100%	Trading of garments
Easyknit Properties Holdings Limited	British Virgin Islands/Hong Kong	Ordinary US\$1,000	100%	—	Investment holding
Golden Top Properties Limited	Hong Kong	Ordinary HK\$2	—	100%	Property holding

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES - continued

Name of subsidiary	Place of incorporation and operation	Nominal value of issued share capital	Proportion of nominal value of issued share capital held by the Company		Principal activities
			Directly	Indirectly	
Good Triumph Development Limited	Hong Kong	Ordinary HK\$2	—	100%	Trading of garments
Grand Modern Investment Limited	Hong Kong	Ordinary HK\$2	—	100%	Property holding
Grand Profit Development Limited	Hong Kong	Ordinary HK\$2	—	100%	Trading of garments
Janson Properties Limited	Hong Kong	Ordinary HK\$2	—	100%	Property holding
Mark Profit Development Limited	Hong Kong	Ordinary HK\$2	—	100%	Property development
Nice Progress Investments Limited	Hong Kong	Ordinary HK\$2	—	100%	Trading of garments
Perfect Luck Development Limited	Hong Kong	Ordinary HK\$2	—	100%	Property holding
Planetic International Limited	Hong Kong	Ordinary HK\$2	—	100%	Financing company
Touch Profits Limited	British Virgin Islands/Hong Kong	Ordinary US\$1	100%	—	Investment holding
Wellmake Investments Limited	Hong Kong	Ordinary HK\$2 (Non-voting deferred HK\$2)*	—	100%	Property holding

* The non-voting preferred shares of Cheong Ko Investment Company Limited and the non-voting deferred shares of Wellmake Investments Limited carry no rights to receive notice of, attend or vote at any general meeting and have very limited rights to participate in a distribution of profits and, on liquidation, to the repayment of the amount paid up on the shares.

The above table lists the subsidiaries of the Company, which, in the opinion of the directors of the Company, principally affected the results of the year or constituted a substantial portion of the net assets of the Group. To give details of other subsidiaries would in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital subsisting at 31 March 2001 or at any time during the year.