

## 1. CORPORATE INFORMATION

During the year, the Group was engaged in the following activities:

- Manufacture and sale of electronic component products
- Property holding
- Money lending
- Investment holding

In 2000, the Group was also engaged in the design and manufacture of consumer electronic products.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

### **Basis of accounting**

These financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”), and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

They have been prepared under the historical cost convention, modified with respect to the measurement of investment properties, certain fixed assets and other investments, as explained in the respective accounting policies below.

### **Adoption of statements of standard accounting practice**

During the current year, the Group has adopted the following Statements of Standard Accounting Practice (“SSAPs”) issued by the HKSA which are effective for accounting periods commencing on or after 1 January 2001:

SSAP 9 (revised)	Events after the balance sheet date
SSAP 14 (revised)	Leases
SSAP 26	Segment reporting
SSAP 28	Provisions, contingent liabilities and contingent assets
SSAP 29	Intangible assets
SSAP 30	Business combinations
SSAP 31	Impairment of assets
SSAP 32	Consolidated financial statements and accounting for investments in subsidiaries

The adoption of the above standards has had no material effect on the amounts reported in the current and prior years, except for SSAP 14 as set out below.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(continued)*

### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

### **Goodwill on consolidation**

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired. In respect of acquisitions of subsidiaries:

- (i) before 1 January 2001, positive goodwill is eliminated against reserves; and
- (ii) since 1 January 2001, positive goodwill is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life. Positive goodwill is stated in consolidated balance sheet at cost less accumulated amortisation and impairment losses, if any.

On disposal of a subsidiary, any attributable amount of purchased goodwill not previously amortised through the consolidated profit and loss account or which has previously been dealt with as a movement on group reserves is included in the calculation of the profit or loss on disposal.

### **Subsidiaries**

A subsidiary is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors. Interests in subsidiaries are stated in the Company's balance sheet at cost less provisions, for any impairment, as determined by the Directors. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

### **Associates**

An associate is a company, not being a subsidiary, in which the Group holds a substantial long-term interest in the equity share capital and over which the Group is in a position to exercise significant management influence.

The consolidated profit and loss account includes the Group's share of results of associates for the year, and amortisation and impairment losses of goodwill, if any. The consolidated balance sheet includes the Group's share of net assets, after attributing fair values to the net assets at the date of acquisition.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Properties, plant and equipment

Properties, plant and equipment, other than investment properties, are stated at cost or valuation less accumulated depreciation and any impairment.

The cost of an item of property, plant and equipment (an "Item") comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the Item has been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the Item, the expenditure is capitalised as an additional cost of the Item.

When, in the opinion of the directors, the recoverable amounts of properties, plant and equipment have declined below their carrying amounts, provisions are made to write down the carrying amounts of such assets to their recoverable amounts. Reductions of the carrying value are charged to the profit and loss account, except to the extent that they reverse previous revaluation surpluses in respect of the same items, when they are charged to the revaluation reserve.

The gain or loss on disposal or retirement of an Item recognised in the profit and loss account is the difference between the sale proceeds and the carrying amount of the relevant Item, and is recognised in the profit and loss account. On disposal of a revalued Item, the relevant portion of the revaluation reserve realised in respect of the previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land	Over unexpired lease terms
Buildings	2% - 5%
Plant and machinery	10% - 25%
Furniture and equipment	12.5% - 30%
Motor vehicles	20% - 33%

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(continued)*

### **Investment properties**

Investment properties are those properties which are held for their investment potential, are income producing and are intended to be held on a long term basis. They are stated at their open market values on the basis of annual valuations. Any surplus or deficit on revaluation is taken to the investment properties revaluation reserve unless the total of this reserve is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the reserve is charged to the profit and loss account. Where a deficit has previously been charged to the profit and loss account and a revaluation surplus subsequently arises, the surplus is credited to the profit and loss account to the extent of the deficit previously charged.

The gain or loss on disposal of an investment property, representing the difference between the net sales proceeds and the carrying amount of the relevant asset, is recognised in the profit and loss account. Any revaluation reserve balance attributable to the relevant asset being sold is transferred to retained profits upon disposal of the asset.

No depreciation is provided in respect of investment properties with an unexpired lease term of more than 20 years since the valuations take into account the state of the buildings.

### **Long term investments**

Long term investments are stated in the balance sheet at cost less any provision for diminution in value, as determined by the directors.

### **Inventories**

Inventories are valued at the lower of cost, on the first-in, first-out basis, and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost includes direct materials, direct labour, sub-contracting charges and, where applicable, production overheads. Net realisable value is determined by reference to estimated selling prices less all further costs to be incurred in selling and distribution.

### **Revenue**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement associated with ownership, nor effective control over the goods sold;

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Revenue (continued)

- (b) proceeds on disposals of investments, including interests in subsidiaries, associates, investments in listed and unlisted shares and disposals of investment properties and fixed assets, when all conditions for disposal have been met and the risks and rewards of ownership have been transferred to the buyer;
- (c) rental income, on the straight-line basis over the lease terms;
- (d) interest, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (e) dividends, when the shareholders' right to receive payment is established.

### Segment reporting

For reporting purposes, segment assets include those operating assets that are employed by a segment and segment liabilities include those operating liabilities that result from the operating activities by a segment, excluding tax assets and liabilities. Capital expenditure comprises additions to properties, plant and equipment. Business segments have been used as the primary reporting format.

### 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. Rentals applicable to such operating leases are charged to the profit and loss account on a straight-line basis over the relevant lease term.

The adoption of SSAP 14 (revised) "Leases" has not resulted in any significant changes to the accounting treatment adopted for leases by the Group, except that under the new disclosure requirements of SSAP 14 (revised) total future commitments under operating leases are disclosed, rather than only the forthcoming year's commitments, as was previously the case. Comparative amounts have been restated to achieve a consistent presentation.

### Foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of subsidiaries and associates operating outside Hong Kong are translated to Hong Kong dollars at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(continued)*

### **Retirement costs**

The Group contributes to the retirement benefits of its employees by means of a mandatory provident fund scheme. The scheme is administered by independent trustees and held separately from the Group's assets. The group's contribution payable in respect of the year is charged to the profit and loss account.

### **Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the profit and loss account in the year in which they are incurred.

### **Deferred tax**

Provision is made for deferred tax, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

### **Impairment of assets**

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and, where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a decline in revaluation.

### **Provisions**

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

### **Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

### Cash equivalents

For the purpose of the consolidated cash flow statement, cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. For the purpose of balance sheet classification cash equivalents represent assets similar in nature to cash, which are not restricted as to use.

## 3. TURNOVER

Turnover represents the aggregate of the net invoiced value of goods sold, rental income, interest income from money lending, but excludes intra-group transactions. Revenue from the following activities has been included in turnover:

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Sale of consumer electronic products	—	1,405,689
Sale of component and related products	77,244	279,947
Rental income	1,453	2,999
Interest income from money lending	—	85,911
	<u>78,697</u>	<u>1,774,546</u>

31 December 2001

**3. TURNOVER (continued)**

An analysis of the Group's revenue, results, assets, liabilities and capital expenditure for the year by business and geographical segments, as compared to the previous year, is as follows:

**a) Business segments**

	Electronic Components		Consumer Electronics		Property Investments		Money Lending		Consolidated	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>REVENUE</b>	<b>77,244</b>	<b>279,947</b>	<b>—</b>	<b>1,405,689</b>	<b>1,453</b>	<b>2,999</b>	<b>—</b>	<b>85,911</b>	<b>78,697</b>	<b>1,774,546</b>
<b>SEGMENT</b>										
<b>PROFIT/(LOSS)</b>	<b>2,644</b>	<b>14,599</b>	<b>—</b>	<b>10,287</b>	<b>863</b>	<b>1,818</b>	<b>—</b>	<b>(321,790)</b>	<b>3,507</b>	<b>(295,086)</b>
Interest and other income									2,718	57,223
Amortisation and impairment										
loss on goodwill of associates									(45,037)	(36,572)
Bad and doubtful debts									—	(30,088)
Impairment of properties,										
plant and machinery									(1,732)	(16,978)
Profit on disposal of subsidiaries									2,362	111,982
Unallocated administrative and										
other operating expenses									(27,412)	(61,838)
Finance costs									(65,204)	(50,604)
Share of results of associates									(1,747)	(3,236)
<b>LOSS BEFORE TAX</b>									<b>(132,545)</b>	<b>(325,197)</b>
<b>TAX</b>									<b>(718)</b>	<b>(124)</b>
<b>LOSS BEFORE</b>										
<b>MINORITY INTERESTS</b>									<b>(133,263)</b>	<b>(325,321)</b>



31 December 2001

**3. TURNOVER (continued)**
**a) Business segments (continued)**

	Electronic Components		Consumer Electronics		Property Investments		Money Lending		Consolidated	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
<b>ASSETS</b>										
Segment assets	40,785	59,574	—	1,177,011	13,086	34,350	600,000	608,502	653,871	1,879,437
Unallocated assets									238,930	217,747
Disposal of subsidiaries									(30,485)	(1,177,011)
									<u>862,316</u>	<u>920,173</u>
<b>LIABILITIES</b>										
Segment liabilities	31,570	40,985	—	1,106,152	8,512	1,518	600,000	432,055	640,082	1,580,710
Unallocated liabilities									24,609	100,018
Disposal of subsidiaries									(31,570)	(1,106,152)
									<u>633,121</u>	<u>574,576</u>
<b>CAPITAL EXPENDITURE</b>										
Segment	5,443	38,445	—	—	—	—	—	—	5,443	38,445
Other									244	12
Disposal of subsidiaries									(5,443)	(38,445)
									<u>244</u>	<u>12</u>
<b>DEPRECIATION</b>										
Segment	3,760	21,009	—	—	269	441	—	—	4,029	21,450
Other									45	3,210
									<u>4,074</u>	<u>24,660</u>
<b>IMPAIRMENT LOSS</b>										
Profit and loss account	—	—	—	—	1,732	16,978	—	—	1,732	16,978
Revaluation reserve	—	—	—	—	2,034	1,461	—	—	2,034	1,461

Notes:

- No current year figures are shown for the consumer electronics segment as the segment was discontinued in 2000.
- The money lending segment did not generate any revenue nor incur any expenses during the year ended 31 December 2001; accordingly, no figures are shown for this segment in 2001.

31 December 2001

### 3. TURNOVER (continued)

#### b) Geographical area

	Asia		Europe		United States of America		Others		Consolidated	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE	67,057	858,488	2,643	340,463	7,640	280,085	1,357	295,510	78,697	1,774,546
SEGMENT										
PROFIT/(LOSS)	2,860	(304,488)	150	4,090	405	2,414	92	2,898	3,507	(295,086)
Interest and other income									2,718	57,223
Amortisation and impairment										
loss on goodwill of associates									(45,037)	(36,572)
Bad and doubtful debts									—	(30,088)
Impairment of properties, plant & machinery									(1,732)	(16,978)
Profit on disposal of subsidiaries									2,362	111,982
Unallocated administrative and other operating expenses									(27,412)	(61,838)
Finance costs									(65,204)	(50,604)
Share of results of associates									(1,747)	(3,236)
<b>LOSS BEFORE TAX</b>									<b>(132,545)</b>	<b>(325,197)</b>
TAX									(718)	(124)
<b>LOSS BEFORE</b>										
<b>MINORITY INTERESTS</b>									<b>(133,263)</b>	<b>(325,321)</b>

The Group's assets and liabilities are principally located in Asia. Accordingly, segment assets, segment liabilities and other information by geographical area are not separately shown.

#### 4. RELATED PARTY TRANSACTIONS

In addition to the related party transactions detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:-

	Note	<b>Group</b>	
		<b>2001</b>	2000
		<b>HK\$'000</b>	HK\$'000
Sales of components and related products to The Grande Holdings Limited and its associates (the "Grande Group"), a substantial shareholder of the Company in the previous year	(a)	<b>1,878</b>	25,461
Purchases of various components, raw materials and packaging materials from the Grande Group	(a)	<b>3,876</b>	598
Sub-contracting charges paid to the Grande Group	(b)	<b>357</b>	—
General and administrative expenses charged by the Grande Group	(b)	<b>4,461</b>	14,312
Interest income received from the Grande Group	(b)	<b>698</b>	—
Interest and similar charges payable to the Grande Group	(c)	<b>65,204</b>	103,751
Consultancy fee paid by the Company to Bizipoint Company Limited	(b)	<b>1,200</b>	—
Interest charged to Princeton Venture Partners Limited	(b)	<b>997</b>	—
		<b>—————</b>	<b>—————</b>

*Notes:*

- (a) Considerations for these sale and purchase transactions were determined through negotiations between the respective parties with reference to, among other things, the price lists and the volume of the transactions on a case-by-case basis.
- (b) The considerations were determined through negotiations between the respective parties.
- (c) Interest expense was charged at prime rate plus 2% per annum.

31 December 2001

**5. LOSS FROM OPERATING ACTIVITIES**

This is arrived at after crediting:

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Gross rental income	1,453	2,999
Less: outgoings	(590)	(1,181)
Net rental income	<b>863</b>	1,818
Dividend income from other investments	—	565
Exchange gains, net	—	444
Other interest income	2,124	11,167
Profit on disposal of subsidiaries	2,362	111,982
and after charging:		
Amortisation and impairment loss on goodwill of associates	45,037	36,572
Auditors' remuneration:		
Hong Kong	750	800
Overseas	—	21
Prior year underprovision	—	1
Bad and doubtful debts	—	367,285
Depreciation on properties, plant and equipment	4,074	24,660
Deficit on revaluation of investment properties	1,230	690
Impairment of properties, plant and equipment	1,732	16,978
Loss on disposal of interest in an associate	—	3
Loss on disposal of investment properties	488	599
Loss on disposal of properties, plant and equipment, net	—	5,202
Operating lease rentals for land and buildings	2,921	8,849
Staff costs:		
Wages and salaries (including Directors' emoluments)	17,406	33,760
Pension contributions/(forfeited contributions)	149	(89)
	<u>          </u>	<u>          </u>

31 December 2001

## 6. FINANCE COSTS

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Interest and similar charges on:		
Bank loans and overdrafts wholly repayable within five years	—	7,481
Other	<b>65,204</b>	43,123
	<u>65,204</u>	<u>43,123</u>
	<b><u>65,204</u></b>	<b><u>50,604</u></b>

## 7. DIRECTORS' EMOLUMENTS

### (a) Directors' emoluments

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance is as follows:

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Fees	<b>200</b>	102
Salaries and other benefits	<b>7,005</b>	636
Contributions to pension scheme	<b>43</b>	—
Inducement fees	—	6,000
	<u>7,248</u>	<u>6,738</u>
	<b><u>7,248</u></b>	<b><u>6,738</u></b>

Emoluments paid to independent non-executive directors during the year were HK\$200,000 (2000: HK\$102,000).

There were no arrangements under which a director waived or agreed to waive any emolument during the year.

31 December 2001

**7. DIRECTORS' EMOLUMENTS** (continued)**(a) Directors' emoluments** (continued)

Emoluments of the directors fell within the following bands:

	<b>Group</b>	
	<b>2001</b>	2000
	<b>Number of directors</b>	Number of directors
HK\$Nil to HK\$1,000,000	9	21
HK\$3,500,001 to HK\$4,000,000	1	—
HK\$6,000,001 to HK\$6,500,000	—	1
	<u>10</u>	<u>22</u>

**(b) Employees' emoluments**

Of the five individuals with the highest emoluments in the Group, four (2000: one) were directors of the Company whose emoluments have been included in note 7(a) above. The emoluments of the remaining one individual (2000: four individuals) are as follows:

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Salaries and other benefits	1,069	6,292
Contributions to pension scheme	10	—
	<u>1,079</u>	<u>6,292</u>

Emoluments of the highest paid individual fell within the following bands (2000: four individuals):

	<b>Group</b>	
	<b>2001</b>	2000
	<b>Number of individuals</b>	Number of individuals
HK\$1,000,001 to HK\$1,500,000	1	2
HK\$2,000,001 to HK\$2,500,000	—	2
	<u>1</u>	<u>4</u>

31 December 2001

## 8. PENSION COSTS

Since 31 December 2000, the Group has implemented a new mandatory provident fund scheme. The Group and the employees are required to contribute 5% or HK\$1,000 of the staff salaries, whichever is lower, to the scheme. Total contributions to the mandatory provident fund scheme for the year ended 31 December 2001 charged to the consolidated profit and loss account amounted to HK\$149,000 (2000: Nil).

## 9. TAX

No provision for Hong Kong profits tax is required since the Group incurred losses for the year (2000: provision at 16% was made on estimated assessable profits). The tax charge for the year relates to the underprovision of tax in the prior year. Taxes on income earned outside Hong Kong have been calculated at the rates of taxation prevailing in the countries in which the Group operates, based on existing law, practice and interpretation thereof.

	<b>Group</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Current year provision:		
Hong Kong	—	1,191
Outside Hong Kong	4	—
	<u>4</u>	<u>1,191</u>
Prior years under provision:		
Hong Kong	714	1,142
Outside Hong Kong	—	—
	<u>714</u>	<u>1,142</u>
	<b>718</b>	2,333
Share of tax in associates	—	—
Deferred tax - note 21	—	(2,209)
Tax charge for the year	<u><b>718</b></u>	<u>124</u>

31 December 2001

**10. NET LOSS ATTRIBUTABLE TO SHAREHOLDERS**

The net loss attributable to shareholders dealt with in the financial statements of the Company is HK\$131,540,000 (2000: HK\$458,651,000).

**11. LOSS PER SHARE**

The calculation of basic loss per share is based on the net loss attributable to shareholders of HK\$133,287,000 (2000: HK\$324,943,000) and the weighted average of 3,753,950,795 shares (2000: 3,447,624,909 shares) in issue during the year.

The diluted loss per share for the years ended 31 December 2001 and 2000 has not been shown as there were no outstanding warrants and share options.

**12. PROPERTIES, PLANT AND EQUIPMENT****Group**

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Furniture and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cost</b>					
1 January 2001	29,683	94,982	19,409	1,928	146,002
Additions	—	5,199	244	—	5,443
Disposals	(7,633)	(100,491)	(18,911)	(1,928)	(128,963)
Reclassifications	—	310	(310)	—	—
31 December 2001	<u>22,050</u>	<u>—</u>	<u>432</u>	<u>—</u>	<u>22,482</u>
<b>Accumulated depreciation</b>					
1 January 2001	17,983	87,040	18,461	1,885	125,369
Charge for the year	234	3,760	80	—	4,074
Impairment	3,766	—	—	—	3,766
On disposals	(7,633)	(91,030)	(18,020)	(1,885)	(118,568)
Reclassifications	—	230	(230)	—	—
31 December 2001	<u>14,350</u>	<u>—</u>	<u>291</u>	<u>—</u>	<u>14,641</u>
<b>Net book value</b>					
31 December 2001	<u><u>7,700</u></u>	<u><u>—</u></u>	<u><u>141</u></u>	<u><u>—</u></u>	<u><u>7,841</u></u>
31 December 2000	<u><u>11,700</u></u>	<u><u>7,942</u></u>	<u><u>948</u></u>	<u><u>43</u></u>	<u><u>20,633</u></u>



31 December 2001

## 12. PROPERTIES, PLANT AND EQUIPMENT (continued)

The carrying amount of land and buildings is analysed as follows:

	Group	
	2001 HK\$'000	2000 HK\$'000
Medium term leasehold properties situated in Hong Kong	<u>7,700</u>	<u>11,700</u>

Impairment of certain leasehold properties of the Group was provided by reference to appraisals made by Dudley Surveyors Limited, registered professional surveyors, on an open market value basis based on their existing use on 31 December 2001.

## 13. INVESTMENT PROPERTIES

	Group	
	2001 HK\$'000	2000 HK\$'000
1 January, at valuation	24,810	32,558
Disposals	(9,380)	(7,058)
Revaluation deficit	<u>(1,230)</u>	<u>(690)</u>
31 December, at valuation	<u>14,200</u>	<u>24,810</u>
Analysed by lease term and geographical location:		
Medium term leasehold properties situated in Hong Kong	600	650
Medium term leasehold properties situated outside Hong Kong	<u>13,600</u>	<u>24,160</u>
	<u>14,200</u>	<u>24,810</u>

The investment properties were revalued by reference to appraisals made by Dudley Surveyors Limited, registered professional surveyors, on an open market value basis based on their existing use on 31 December 2001.