



## Deposits

In 1998, the Group placed a deposit amounted to RMB10 million, which will be due in August 2002, with Guanghua Office under Sichuan Trust and Investment Company ("Guanghua Office"). As at 31 March 2002, the outstanding balance of principal plus interest was approximately RMB11.17 million. In April 2002, pursuant to the decisions of People's Bank of China and Sichuan Provincial Government, Guanghua Office was dismissed and underwent liquidation procedures. The Group has registered its creditor's rights with the liquidating team on 25 May 2002. Based on the relevant information about Guanghua Office, the Company is unable to assess on the recoverable amount of such deposit. The Company considered it prudent to make full provision for the deposit with Guanghua Office. The Group will continue to account for any interest income arising from the deposit on a receipt basis. The aforesaid deposit represented 0.25% of the net assets of the Group, therefore the non-recovery of the deposit with Guanghua Office would not have material impact on the working capital and operations of the Group.

Save as aforesaid, the Group had no designated deposits and overdue time deposits placed with any financial institution which could not be recovered in the Period.