

19. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ registration and operations	Issued/ registered share capital and paid up capital (note ii)	Percentage of equity interest held by		Principal activities
			Company %	Subsidiary %	
Radford Portfolio Management Limited	Hong Kong	HK\$10,000	–	100	Property holding
Righteam Limited	Hong Kong	HK\$4	100	–	Corporate services
Selway Limited	Hong Kong	HK\$2	–	100	Property investment
Sky Coast Holdings Limited	British Virgin Islands	US\$1	–	100	Investment holding
Sun Year Enterprises Limited	Hong Kong/People's Republic of China	HK\$2	–	100	Property investment
Sunny Point Investments Limited	British Virgin Islands	US\$1	–	100	Investment holding
Suzhou Hua Hui Xin Zhong Gang Materials Company Limited ("Suzhou")(note iii)	People's Republic of China	Registered capital US\$5,248,000	–	69.68	Manufacture and sale of laminated PVC steel plates and fire-proof materials
The NCHK Metals (Suzhou) Limited	British Virgin Islands	US\$1	–	100	Investment holding
Tomswood Holdings Limited	British Virgin Islands	US\$10	–	100	Investment holding
Top Solution Inc.	British Virgin Islands	US\$1	–	100	Investment holding
Top Solution (Hong Kong) Limited	Hong Kong	HK\$3	–	100	Inactive
Triple Chain Limited (note iv)	British Virgin Islands	US\$18	–	44.4	Investment holding

19. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ registration and operations	Issued/ registered share capital and paid up capital (note ii)	Percentage of equity interest held by		Principal activities
			Company	Subsidiary	
			%	%	
Unigolden Limited	Hong Kong/ People's Republic of China	HK\$2	–	100	Property investment
Uright Investments Limited	British Virgin Islands	US\$1	–	100	Investment holding
Victory Concord Limited	Hong Kong	HK\$2	–	100	Investment holding
Winners Assets Limited	British Virgin Islands	US\$1	–	100	Investment holding
Winport Limited	British Virgin Islands	US\$1	–	100	Investment holding
Winsland Holdings Limited	British Virgin Islands	US\$1	–	100	Investment holding
Yallogg Investments Limited	British Virgin Islands	US\$2	–	100	Inactive

Notes:

- (i) None of the subsidiaries except for Cupac Technology Limited ("Cupac") as detailed in note 27 has any loan capital outstanding at the end of the period.
- (ii) Unless otherwise specified, all shares are ordinary shares.
- (iii) The directors considered that with effective from 1 March 2000, the Group had lost the ability to control the assets and liabilities of Suzhou which was then deconsolidated with effect from 1 March 2000. A full provision on the Group's interest in Suzhou amounting to HK\$30,986,000 had been made in the year ended 31 March 2000.
- (iv) In the opinion of the directors, the Group is able to control the composition of the boards of directors of these companies and accordingly, they are accounted for as subsidiaries.

20. INTERESTS IN ASSOCIATES

	The Group	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Share of net assets	11,800	54,803
Goodwill arising on acquisition of associates	11,861	-
Capital reserve arising on acquisition of associates	-	(2,684)
Less: Amortisation	(1,672)	-
Provision for diminution in value	(10,189)	-
	-	(2,684)
Amounts due from associates	75,971	76,122
Less: Provision for doubtful debts	(37,419)	(34,419)
	38,552	41,703
	50,352	93,822

Details of the associates at 31 December 2000 are as follows:

Name of associate	Place of incorporation/ registration and operations	Class of shares held	Percentage of equity interest held by the Group	Principal activities
Bai Hui Group Company Limited	Hong Kong	Ordinary	30%	Investment holding
Bai Hui Real Estate Company Limited	Hong Kong/ People's Republic of China	Ordinary	34%	Investment holding and property management
DBZ Limited (note ii)	Hong Kong	Ordinary	22%	Interactive specialists
Profin Developments, Inc. (note ii)	Canada	Ordinary	50%	Inactive
Pure Fair Investment Limited	Hong Kong	Ordinary	45%	Property investment

20. INTERESTS IN ASSOCIATES (Continued)

Name of associate	Place of incorporation/ registration and operations	Class of shares held	Percentage of equity interest held by the Group	Principal activities
Ultimate Technology Holdings (BVI) Limited (note ii)	British Virgin Islands/ Hong Kong	Ordinary	40%	Investment holding
Ultimate Technology Limited (note ii)	Hong Kong	Ordinary	40%	Provision of stock market analysis
UT Agents Limited (note ii)	British Virgin Islands	Ordinary	40%	Inactive
Weitang International Limited	British Virgin Islands	Ordinary	35.77%	Investment holding
Wise Decision Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	45%	Investment holding
Zhanjiang Reinforced Polyester Pipes Co., Ltd. (note ii)	People's Republic of China	Registered capital	32.5%	Manufacture of polyester pipes

Notes:

- (i) During the period, the Group has acquired additional equity interests in Hennabun Management Inc. ("HMI") which was previously an associate of the Group. Accordingly, HMI is classified as a subsidiary at the balance sheet date.
- (ii) Full provision had been made against the interests in these associates.

The audited financial statements of a major associate holding certain interest in a property development project in the PRC are not available. Accordingly, its operating results, assets and liabilities have not been shown. The Group's interest in this associate amounted to approximately HK\$46 million (31/3/2000: HK\$50 million) at the balance sheet date.

21. INVESTMENTS IN SECURITIES

The Group

	Other securities (Non-current investments)		Trading securities (Current investments)	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Equity				
Listed investments	23,960	–	147,097	42,220
Unlisted investments	44,699	101,140	–	–
Unlisted investment fund	35,539	–	–	–
	104,198	101,140	147,097	42,220
Unlisted debt securities	3,899	–	–	–
	108,097	101,140	147,097	42,220
Equity securities at market value listed				
– in Hong Kong	23,960	–	144,761	42,220
– overseas	–	–	2,336	–
	23,960	–	147,097	42,220

The Company

	Other securities (Non-current investments)		Trading securities (Current investments)	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Equity				
Listed investments	23,960	–	73,477	42,220
Unlisted investments	–	101,140	–	–
	23,960	101,140	73,477	42,220
Equity securities at market value listed				
– in Hong Kong	23,960	–	71,141	42,220
– overseas	–	–	2,336	–
	23,960	–	73,477	42,220

## 21. INVESTMENTS IN SECURITIES

Included in other securities are the following investee companies:

Name of investee company	Place of incorporation	Class of shares held	Attributable equity interest held by	
			The Group	The Company
B-Tech (Holdings) Limited	Bermuda	Ordinary	14%	14%
Ronin Capital Management LLC	U.S.A.	Paid up capital	25% (note i)	–
Sino MD Incorporated	British Virgin Islands	Ordinary	29.5% (notes i and ii)	–

*Notes:*

- (i) In the opinion of the directors, the Group is not in a position to exercise significant influence in management, including participation in financial and operating policy decisions of these companies. Accordingly, they are classified as other securities.
- (ii) Sino MD Incorporated was previously held by the Company at 31 March 2000 and was transferred to a subsidiary at cost during the period. Full provision against the cost of investment of HK\$101,716,000 in Sino MD Incorporated has been made during the period.
- (iii) Included in unlisted investments as at 31 December 2000 is an investment cost of HK\$40,800,000 for 1,700,000 shares (31/03/2000: Nil) in an investee company acquired by a subsidiary of the Group at a consideration of HK\$24 per share. Pursuant to an agreement entered into between said subsidiary and a third party, the subsidiary is entitled to request the third party to buy back all the shares at HK\$24 per share if the shares of the investee company are not listed on a recognised stock exchange with offering price of HK\$28 or above per share on or before 16 March 2001 (note 41(h)).

22. OTHER LONG TERM ASSETS

	The Group	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Trading rights in The Stock Exchange of Hong Kong Limited ("Stock Exchange")	6,000	–
Deposits with Stock Exchange	276	–
Contribution to Central Clearing and Settlement System Guarantee Fund	114	–
Admission fee paid to Hong Kong Securities Clearing Company Limited	100	–
Deposits for the acquisition of a subsidiary (note)	–	70,000
Less: Provision for diminution in value	–	(70,000)
	<b>6,490</b>	–
Deposit for the acquisition of investments	–	20,040
	<b>6,490</b>	20,400

*Note:*

In the prior year, the Group entered into a sale and purchase agreement with a company called Yarllogg Resources Company Limited for the acquisition of its interest in a property development project undertaken by a co-operative joint venture company ("the Joint Venture") in the PRC. In this connection, a sum of HK\$70,000,000 had been paid by the Group. However, the Group had obtained legal advice from a law firm in the PRC which suggests that the Joint Venture did not own the land and the hotel was partially constructed.

In view of the legal opinion obtained, a full provision against the monies advanced for the acquisition had been made in the financial statements for the year ended 31 March 2000. The Group has taken legal action to recover the purchase price paid by the Group.

23. LOANS RECEIVABLE

	Notes	The Group	
		31/12/2000 HK\$'000	31/03/2000 HK\$'000
Loan to a director	(i)	200	–
Other loan receivable	(ii)	2,000	2,000
		<b>2,200</b>	2,000

*Notes:*

- (i) It represents a loan granted by a subsidiary engaging in money lending to a director of the Company as detailed in note 40(b).
- (ii) The amount is secured by a property, bears interest at 4% per annum and is fully repayable on 5 July 2002.

**24. SHORT TERM LOANS RECEIVABLE**

Short term loans granted to borrowers are repayable by instalments or according to set maturity dates. An aging analysis of loan balances as at the balance sheet date is set out below.

	<b>31/12/2000</b>	31/03/2000
	<b>HK\$'000</b>	HK\$'000
Within maturity dates	<b>134,580</b>	47,788
Balance overdue for repayment		
– within one to three months	<b>87,234</b>	–
– over twelve months	<b>791</b>	–
	<b>222,605</b>	47,788
Provision for bad and doubtful debts	<b>(20,791)</b>	–
	<b>201,814</b>	47,788

**25. TRADE AND OTHER RECEIVABLES**

The Group maintains a credit policy. The trade and other receivables include trade receivables of approximately HK\$48,873,000 (31/03/2000: HK\$474,000).

The aged analysis of trade receivables as at the balance sheet date is as follows:

	<b>31/12/2000</b>	31/03/2000
	<b>HK\$'000</b>	HK\$'000
Current	<b>48,685</b>	–
Within one to three months	<b>128</b>	–
Over twelve months	<b>60</b>	474
	<b>48,873</b>	474

**26. TRADE AND OTHER PAYABLES**

(a) The trade and other payables include trade payables of approximately HK\$8,363,000 (31/03/2000: HK\$1,957,000), the entire amount of which (31/03/2000: HK\$: Nil) pertained to securities dealing. As at 31 December 2000, all trade payables from securities dealing are current. The trade payable as at 31 March 2000 had been due for payment over one year and are fully settled subsequently.

(b) Included in trade and other payables is a sale deposit of HK\$33,000,000 received pursuant to a conditional sale and purchase agreement entered into between First Asia Properties Limited and RighTEAM Limited, wholly owned subsidiaries of the Company, and B-Tech (Holdings) Limited ("B-Tech"). Under the agreement, B-Tech will acquire the entire issued share capital of East Champion Limited, a wholly owned subsidiary of the Company, together with a shareholder's loan for an aggregate consideration of approximately HK\$99,000,000. As detailed in note 41(b), the transaction had not been completed on the scheduled completion date of 5 February 2001.

**27. CONVERTIBLE NOTE**

On 23 October 2000, the Group issued, through a non wholly-owned subsidiary, a convertible note (the "Note") with a principal sum of HK\$53,000,000. The Note is guaranteed by the Company and bears interest at 7.5% per annum. The noteholder has the right, at any time from the date of issue up to the first anniversary date of issue of the Note to convert the whole or any part of the principal amount of the Note (in amounts not less than HK\$5,000,000) into equity shares of the subsidiary with a nominal value of HK\$0.01 each at an initial conversion price, subject to adjustment in certain events, of HK\$0.8 per share.

Unless previously purchased and cancelled, redeemed or converted, the principal sum of the Note is due for redemption on the first anniversary date of issue of the Note. No conversion right was exercised during the period.

**28. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

The maturity of obligations under hire purchase contracts is as follows:

	<b>The Group</b>	
	<b>31/12/2000</b>	31/03/2000
	<b>HK\$'000</b>	HK\$'000
Within one year	<b>136</b>	176
More than one year, but not exceeding two years	<b>136</b>	176
More than two years, but not exceeding five years	<b>219</b>	171
	<b>491</b>	523
Less: Amounts due within one year shown under current liabilities	<b>(136)</b>	(176)
Amount due after one year	<b>355</b>	347

29. BANK AND OTHER BORROWINGS

	The Group		The Company	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Bank loans and overdrafts:				
Secured	257,343	346,046	128,430	142,805
Unsecured	89,644	27,255	19,418	27,255
	<b>346,987</b>	373,301	<b>147,848</b>	170,060
Other loans:				
Secured	127,358	127,485	–	7,401
Unsecured	119,401	54,119	7,401	30,291
	<b>246,759</b>	181,604	<b>7,401</b>	37,692
	<b>593,746</b>	554,905	<b>155,249</b>	207,752

The bank and other borrowings are repayable, based on their original agreed repayment schedules, as follows:

	The Group		The Company	
	31/12/2000 HK\$'000	31/03/2000 HK\$'000	31/12/2000 HK\$'000	31/03/2000 HK\$'000
Within one year	270,013	218,261	14,995	75,192
More than one year, but not exceeding two years	58,941	38,541	25,503	13,649
More than two years, but not exceeding five years	160,483	188,312	73,166	73,647
More than five years	104,309	109,791	41,585	45,264
	<b>593,746</b>	554,905	<b>155,249</b>	207,752
Less: Amount due within one year and included in current liabilities*	(270,013)	(238,730)	(14,995)	(75,192)
Amount due after one year	<b>323,733</b>	316,175	<b>140,254</b>	132,560

Other loans bear interest at prevailing market rates.

\* Included in HK\$238,730,000 as at 31 March 2000 were instalment amounts of HK\$20,469,000 which were originally due for repayment after more than one year. As events of default had arisen under the loan agreement, the loan had become repayable on demand and the relevant loan had been classified as a current liability.