

Notes to the Accounts (continued)

17 DUE TO RELATED COMPANIES

	The Group		The Company	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Due to:				
Subsidiaries	—	—	1,247,413	714,801
Associated companies	103	100	—	—
	<u>103</u>	<u>100</u>	<u>1,247,413</u>	<u>714,801</u>

The amounts are unsecured, interest free and repayable on demand.

18 TRADE AND BILLS PAYABLE

The ageing analysis of the trade and bills payable are as follows:

	The Group	
	2000 HK\$'000	1999 HK\$'000
Current to 90 days	2,678,522	1,563,057
91 to 180 days	91,369	45,094
181 to 360 days	18,497	8,995
Over 360 days	20,274	441
	<u>2,808,662</u>	<u>1,617,587</u>

19 SHARE CAPITAL

	No. of Shares	HK\$'000
<i>Authorised</i>		
At 31 December 1998, ordinary of HK\$0.10 each	800,000,000	80,000
Subdivision of shares (note (b))	<u>800,000,000</u>	<u>—</u>
At 31 December 1999, ordinary of HK\$0.05 each	1,600,000,000	80,000
Subdivision of shares (note (f))	<u>1,600,000,000</u>	<u>—</u>
At 31 December 2000, ordinary of HK\$0.025 each	<u>3,200,000,000</u>	<u>80,000</u>
<i>Issued and fully paid</i>		
At 31 December 1998, ordinary of HK\$0.10 each	637,610,000	63,761
Exercise of share options before share subdivision (note (a))	9,254,000	926
Subdivision of shares (note (b))	646,864,000	—
Exercise of share options after share subdivision (note (c))	<u>1,568,000</u>	<u>78</u>
At 31 December 1999, ordinary of HK\$0.05 each	1,295,296,000	64,765
Issue of shares upon a private placing (note (d))	60,000,000	3,000
Exercise of share options before share subdivision (note (e))	18,750,000	938
Subdivision of shares (note (f))	1,374,046,000	—
Exercise of share options after share subdivision (note (g))	<u>2,898,000</u>	<u>72</u>
At 31 December 2000, ordinary of HK\$0.025 each	2,750,990,000	68,775
<i>Shares to be allotted and issued (note (h))</i>		
At 31 December 2000, ordinary of HK\$0.025 each	<u>113,188,000</u>	<u>2,830</u>
	<u>2,864,178,000</u>	<u>71,605</u>

(a) During the period from 1 January 1999 to 12 October 1999, 972,000 shares, 3,046,000 shares and 5,236,000 shares of HK\$0.1 each were issued at a price of HK\$5.99, HK\$7.02 and HK\$8.63 per share respectively to the share option holders who exercised their subscription rights.

(b) At a special general meeting of the Company held on 12 October 1999, an ordinary resolution was duly passed under which each of the existing issued and unissued shares of HK\$0.1 each in the share capital of the Company as of that date was subdivided into two shares of HK\$0.05 each.

19 SHARE CAPITAL (CONT'D)

- (c) During the period from 13 October 1999 to 31 December 1999, 124,000 shares and 1,444,000 shares of HK\$0.05 each were issued at a price of HK\$3.51 and HK\$4.315 per share respectively to the share option holders who exercised their subscription rights.
- (d) Pursuant to a placing agreement dated 28 March 2000, Li & Fung (1937) Limited, a substantial shareholder of the Company, placed 60,000,000 shares of HK\$0.05 each in the share capital of the Company to more than six independent institutional investors at a price of HK\$32.5 per share and to subscribe from the Company for the same number of shares at the same price before taking into account the costs and expenses of the placing and interest received on the placing proceeds (the "Placing"). The net proceeds of the subscription amounted to approximately HK\$1,900 million was used for the expansion of the e-commerce business of the Group.
- (e) During the period from 1 January 2000 to 18 September 2000, 1,728,000 shares, 6,768,000 shares and 10,254,000 shares of HK\$0.05 each were issued at a price of HK\$3.51, HK\$4.315 and HK\$8.305 per share respectively to the share option holders who exercised their subscription rights.
- (f) At a special general meeting of the Company held on 18 September 2000, an ordinary resolution was duly passed under which each of the existing issued and unissued shares of HK\$0.05 each in the share capital of the Company as of that date was subdivided into two shares of HK\$0.025 each (the "Share").
- (g) During the period from 19 September 2000 to 31 December 2000, 60,000 Shares and 2,838,000 Shares of HK\$0.025 each were issued at a price of HK\$2.1575 and HK\$4.1525 per Share respectively to the share option holders who exercised their subscription rights.
- (h) On 8 November 2000, the Company entered into an agreement to acquire the entire interest of Colby Group Holdings Limited and its subsidiaries ("Colby") at a consideration of HK\$2,199,993,000 (the "Acquisition"). The purchase consideration is to be satisfied by cash of HK\$247,500,000 (the "Cash Consideration") and the issuance of 113,188,000 new Shares of the Company (the "Consideration Shares") at an issue price of HK\$17.25 per Share amounting to HK\$1,952,493,000. Details of the Acquisition has been set out in the circular issued by the Company on 15 November 2000. The Acquisition was approved by the shareholders during a special general meeting held on 5 December 2000 and Colby has become a subsidiary of the Company since then.

As at 31 December 2000, half of the Cash Consideration amounted to HK\$123,750,000 was paid. The remaining balance of the Cash Consideration amounted to HK\$123,750,000 and the Consideration Shares were paid and issued respectively in March 2001.

19 SHARE CAPITAL (CONT'D)

- (i) Details of Share Options granted by the Company pursuant to the Share Option Scheme and the Share Options outstanding at 31 December 2000, as adjusted for the effect of Share Subdivision, are as follows:

<u>Date of grant</u>	<u>Subscription price per Share</u>	<u>Exercisable period</u>	<u>Share Options exercised during the year</u>	<u>Share Options lapsed during the year</u>	<u>Share Options outstanding at 31 December 2000</u>
24 June 1997	HK\$1.755	18 July 1998 - 17 July 2000	3,456,000	—	—
25 July 1998	HK\$2.1575	25 July 1999 - 24 July 2001	13,596,000	—	2,340,000
16 July 1999	HK\$4.1525	16 July 2000 - 15 July 2002	23,346,000	—	18,894,000
7 July 2000	HK\$15.26	7 July 2001 - 6 July 2003	—	40,000	9,256,000

Subsequent to 31 December 2000, 2,168,000 Shares have been allotted and issued under the Share Option Scheme for a total cash consideration of HK\$8,743,270.