

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended December 31, 2000*

### 1. GENERAL

The Company is a listed public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s ultimate holding company is Shijiazhuang Pharmaceutical Group Company Limited (“SPG”), a state-owned enterprise established under the laws of The People’s Republic of China (the “PRC”). SPG, together with its subsidiaries other than members of the Group, will hereinafter be referred to as the “SPG Group”.

The Company’s subsidiaries are principally engaged in the manufacture and sale of pharmaceutical products.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the historical cost convention and accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31 each year.

Results of subsidiaries, associates or jointly controlled entities acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant inter-company transactions and balances within the Group have been eliminated on consolidation.

#### **Goodwill**

Goodwill represents the excess of the purchase consideration over the fair value ascribed to the Group’s share of the separable net assets at the date of acquisition of a subsidiary and is written off to reserves immediately on acquisition. Negative goodwill, which represents the excess of the fair value ascribed to the Group’s share of the separable net assets at the date of acquisition of a subsidiary over the purchase consideration, is credited to reserves.

Any premium or discount arising on the acquisition of an interest in an associate or a jointly controlled entity, representing the excess or shortfall respectively of the purchase consideration over the fair value ascribed to the Group’s share of the separable net assets of the jointly controlled entity at the date of acquisition, is dealt with in the same manner as that described above for goodwill.

On disposal of investments in subsidiaries or associates or jointly controlled entities, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal of the subsidiary or associate or jointly controlled entity.

**2. SIGNIFICANT ACCOUNTING POLICIES – continued****Investments in subsidiaries**

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are included in the Company's balance sheet at cost, as reduced by any decline in the value of the subsidiary that is other than temporary.

**Interests in associates**

An associate is an enterprise over which the Group is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investee.

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates.

When the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associates, except where unrealised losses provide evidence of an impairment of the asset transferred.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any decline in the value of the associate that is other than temporary.

**Joint ventures**

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

*Jointly controlled entities*

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the relevant jointly controlled entities. The Group's share of post-acquisition results of jointly controlled entities is included in the consolidated income statement.

When the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred.

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Property, plant and equipment and depreciation**

Construction in progress is stated at cost which includes all construction costs and other direct costs, including borrowing costs capitalised, attributable to such projects. Construction in progress is not depreciated until completion of construction. Costs on completed construction works are transferred to the relevant category of property, plant and equipment.

Property, plant and equipment other than construction in progress is stated at cost less depreciation and amortisation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement 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 assets, the expenditure is capitalised as an additional cost of the assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

Depreciation and amortisation are provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives, and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

Buildings in the PRC	3.3% – 9.7%
Plant and machinery	5% – 13.9%
Furniture, fixtures and office equipment	20.0%
Motor vehicles	13.9% – 20.0%

The cost of land use rights is amortised on a straight line basis over the period of the rights.

**Turnover**

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, and is stated net of value-added tax and sales returns during the year.

**Revenue recognition**

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Service income is recognised when services are rendered.

**2. SIGNIFICANT ACCOUNTING POLICIES – continued****Foreign currencies**

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation, the financial statements of the PRC subsidiaries and jointly controlled entity are translated into Hong Kong dollars at the applicable rates of exchange ruling on the balance sheet date as quoted by the People's Bank of China, the PRC. All exchange differences arising on consolidation are dealt with in reserves.

**Taxation**

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed under the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**Intangible assets**

The cost of technical know-how is amortised on a straight line basis over its expected useful life of ten years.

The cost of rights to use the utilities is amortised on a straight line basis over their estimated useful lives of ten years.

**Research and development costs**

Expenditure on research and development is charged to the income statement in the year in which it is incurred except where a major project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activity. Such development costs are deferred and written off, using the straight line method, over a period of three years from the date of commencement of commercial operation.

For the year ended December 31, 2000

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Cash equivalents**

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 which are repayable within three months from the dates of the advances.

**Retirement benefits scheme contributions**

The subsidiaries in the PRC are members of state-managed retirement benefits schemes operated by the PRC government and the retirement benefits scheme contributions charged to the income statement represent the amount of contributions payable by the subsidiaries in the PRC to their retirement benefits schemes.

**Operating leases**

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the relevant leases.

**3. PROFIT FROM OPERATIONS**

	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Profit from operations has been arrived at after charging:		
Amortisation of intangible assets	13,250	9,752
Auditors' remuneration		
– Current year	1,100	1,070
– Underprovision in prior year	80	450
Depreciation and amortisation	82,348	56,354
Loss on disposal of property, plant and equipment	25	–
Operating lease rental in respect of land and buildings	6,276	5,941
Research and development expenses	1,284	155
Staff costs including directors' remunerations	74,688	60,757
and after crediting:		
Bank interest income	5,210	7,278
Interest income from connected parties (note 36 (I))	–	2,713
Interest income from loan receivables	1,425	1,854
	6,635	11,845
Gain on disposal of property, plant and equipment	–	163

**NOTES TO THE FINANCIAL STATEMENTS**

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*For the year ended December 31, 2000*

**4. FINANCE COSTS**

	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest paid on bank loans wholly repayable within five years	<b>29,783</b>	32,154
Interest paid to connected parties (note 36 (I))	<b>60</b>	410
Less: interest capitalised in construction in progress	–	(3,157)
	<b>29,843</b>	29,407
	<b>29,843</b>	29,407

**5. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS**

	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>DIRECTORS</b>		
Directors' fees:		
Executive	<b>100</b>	120
Independent non-executive	<b>120</b>	120
	<b>220</b>	240
Other emoluments of executive directors:		
Salaries and other benefits	<b>3,176</b>	4,630
	<b>3,396</b>	4,870
	<b>3,396</b>	4,870

The emoluments of each of the directors were below HK\$1,000,000 for each of the two years ended December 31, 2000.

**EMPLOYEES**

Of the five highest paid individuals in the Group, two (1999: all) were directors of the Company whose emoluments are set out above. The aggregate emoluments of the remaining three highest paid individuals are as follows:

	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Salaries and other benefits	<b>1,999</b>	–
	<b>1,999</b>	–

The emoluments of each of these employees were below HK\$1,000,000 for the year ended December 31, 2000.

During the year, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

For the year ended December 31, 2000

**6. TAXATION**

	<b>2000</b>	1999
	<b>HK\$'000</b>	HK\$'000
The charge comprises:		
PRC income tax		
– current year	<b>16,439</b>	3,317
– under(over) provision in prior year	<b>2,251</b>	(2,245)
Share of taxation of a jointly controlled entity	<b>2,674</b>	–
	<u><b>21,364</b></u>	<u>1,072</u>

No Hong Kong Profits Tax is payable by the Company or its Hong Kong subsidiaries since they had no assessable profit for the year.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiaries are entitled to an exemption from PRC income tax for the two years starting from their first profit-making year, followed by a 50% reduction for the next three years. The taxation charge for the year represents provision for PRC income tax for the PRC subsidiaries taking account of these tax incentives.

The jointly controlled entity, which was established in the PRC, is also entitled to similar PRC tax relief as the above subsidiaries.

There was no significant unprovided deferred taxation for the year and there was no significant unprovided deferred tax asset or liability at the balance sheet date.

**7. PROFIT ATTRIBUTABLE TO SHAREHOLDERS**

The Group's profit attributable to shareholders for the year includes a profit of HK\$2,986,000 (1999: HK\$40,108,000) which has been dealt with in the financial statements of the Company.

**8. DIVIDEND**

The dividend in 1999 represented a proposed final dividend of HK\$3.3 cents per share calculated by reference to 1,240,407,879 ordinary shares in issue during that year.

For the year ended December 31, 2000

**9. EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share is based on the following data:

	2000	1999
Profit attributable to shareholders	<u><b>HK\$80,473,000</b></u>	<u>HK\$142,022,000</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>1,240,429,301</b>	1,134,591,763
Effect of dilutive potential ordinary shares in respect of share options	<u><b>16,000,000</b></u>	<u>9,560,976</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u><b>1,256,429,301</b></u>	<u>1,144,152,739</u>

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding warrants as the exercise price is higher than the fair value per share during the year.

**10. PROPERTY, PLANT AND EQUIPMENT**

	Land use rights in the PRC <i>HK\$'000</i>	Buildings in the PRC <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Construction in progress <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>THE GROUP</b>							
<b>COST</b>							
At January 1, 2000	15,025	134,456	1,027,223	1,267	12,168	17,020	1,207,159
Additions	8,700	-	13,119	261	3,012	108,405	133,497
Transfers	-	22,076	78,628	-	407	(101,111)	-
Disposals	-	(75)	(538)	(114)	(1,331)	-	(2,058)
At December 31, 2000	<u>23,725</u>	<u>156,457</u>	<u>1,118,432</u>	<u>1,414</u>	<u>14,256</u>	<u>24,314</u>	<u>1,338,598</u>
<b>DEPRECIATION AND AMORTISATION</b>							
At January 1, 2000	375	12,193	155,892	314	4,526	-	173,300
Provided for the year	969	5,428	73,348	240	2,363	-	82,348
Eliminated on disposals	-	-	(143)	(89)	(366)	-	(598)
Impairment loss	-	-	17,250	-	-	-	17,250
At December 31, 2000	<u>1,344</u>	<u>17,621</u>	<u>246,347</u>	<u>465</u>	<u>6,523</u>	<u>-</u>	<u>272,300</u>
<b>NET BOOK VALUE</b>							
At December 31, 2000	<u>22,381</u>	<u>138,836</u>	<u>872,085</u>	<u>949</u>	<u>7,733</u>	<u>24,314</u>	<u>1,066,298</u>
At December 31, 1999	<u>14,650</u>	<u>122,263</u>	<u>871,331</u>	<u>953</u>	<u>7,642</u>	<u>17,020</u>	<u>1,033,859</u>



For the year ended December 31, 2000

**10. PROPERTY, PLANT AND EQUIPMENT – continued**

The directors have reviewed the carrying value of the plant and machinery of the Group at December 31, 2000 and determined that the recoverable amount from the use of certain of these assets had declined below their carrying value because of the relocation of the factory premises. Accordingly, the carrying value of these assets was reduced by approximately HK\$17,250,000 to reflect the impairment.

Included in construction in progress was interest cost capitalised amounting to Nil (1999: HK\$3,157,000).

The land use rights and buildings in the PRC held by the Group at the balance sheet date are held under medium-term leases.

	Land use rights in the PRC <i>HK\$'000</i>	Buildings in the PRC <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Construction in progress <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>THE COMPANY</b>							
<b>COST</b>							
At January 1, 2000	–	–	–	416	–	–	416
Additions	–	–	–	180	1,005	–	1,185
At December 31, 2000	–	–	–	596	1,005	–	1,601
<b>DEPRECIATION AND AMORTISATION</b>							
At January 1, 2000	–	–	–	28	–	–	28
Provided for the year	–	–	–	96	50	–	146
At December 31, 2000	–	–	–	124	50	–	174
<b>NET BOOK VALUE</b>							
At December 31, 2000	–	–	–	472	955	–	1,427
At December 31, 1999	–	–	–	388	–	–	388

**11. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**

The deposits were paid in connection with the expansion of the Group's production facilities in the PRC. The amount contracted for at December 31, 2000 is shown as capital commitments in note 33.

**NOTES TO THE FINANCIAL STATEMENTS**

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*For the year ended December 31, 2000*

**12. INVESTMENTS IN SUBSIDIARIES**

	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted investment, at cost	394,421	344,354
Loan to a subsidiary	–	3,865
Amounts due from subsidiaries	701,339	749,108
	<b>1,095,760</b>	<b>1,097,327</b>

Particulars of the Company's subsidiaries as at December 31, 2000 are set out in note 37.

The amounts due from subsidiaries are not expected to be repayable within one year.

**13. INTANGIBLE ASSETS**

	Technical know-how <i>HK\$'000</i>	Development costs <i>HK\$'000</i>	Utility rights <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>COST</b>				
At January 1, 2000	47,097	15,475	45,883	108,455
Additions	–	4,892	5,912	10,804
	47,097	20,367	51,795	119,259
<b>AMORTISATION</b>				
At January 1, 2000	20,463	4,364	2,294	27,121
Provided for the year	4,710	3,656	4,884	13,250
	25,173	8,020	7,178	40,371
<b>NET BOOK VALUE</b>				
At December 31, 2000	21,924	12,347	44,617	78,888
At December 31, 1999	26,634	11,111	43,589	81,334

For the year ended December 31, 2000

14. INVESTMENT IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2000	1999	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted shares, at cost	–	–	<b>2,322</b>	–
Share of net assets of an associate	–	–	–	–
	<u>–</u>	<u>–</u>	<u><b>2,322</b></u>	<u>–</u>

Details of the Group's associate which is held directly by the Company as at December 31, 2000 are as follows:

Name of associate	Place of incorporation	Proportion of nominal value of issued capital held by the Company	Principal activity
Rigg Far East Limited	Hong Kong	30%	Trading of pharmaceutical products

15. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	THE GROUP	
	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	<u><b>14,713</b></u>	<u>21,472</u>

At December 31, 2000, the Group held 50% of the registered capital of Hebei Huarong Pharmaceutical Co., Ltd. ("Huarong"), which is a sino-foreign equity joint venture company established in the PRC to manufacture and sell vitamin B12 products.

**NOTES TO THE FINANCIAL STATEMENTS**

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*For the year ended December 31, 2000*

**16. LOAN RECEIVABLE**

The loan receivable is unsecured, carries interest at 6.435% per annum and is repayable as follows:

	<b>THE GROUP</b>	
	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	795	2,807
Between one to two years	795	655
Between two to five years	2,385	2,385
Over five years	655	1,450
	<b>4,630</b>	7,297
Less: Amount receivable within one year shown under current assets	<b>(795)</b>	(2,807)
Amount receivable after one year	<b>3,835</b>	4,490

**17. INVENTORIES**

	<b>THE GROUP</b>	
	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>
Raw materials	36,751	31,997
Work in progress	51,453	54,132
Finished goods	52,039	38,895
	<b>140,243</b>	125,024

**18. TRADE AND OTHER RECEIVABLES**

The Group has a policy of allowing a credit period from 90 days to 120 days to its trade customers. The aged analysis of trade receivables is as follows:

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>2000</b>	1999	<b>2000</b>	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 90 days	199,808	199,646	-	-
91 to 180 days	66,154	49,804	-	-
181 to 365 days	45,020	32,771	-	-
More than 365 days	-	3,925	-	-
	<b>310,982</b>	286,146	-	-
Other receivables	71,436	51,893	911	2,180
	<b>382,418</b>	338,039	<b>911</b>	2,180

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**19. LOAN RECEIVABLES**

Other than the current portion of loan receivable as disclosed in note 16, the remaining loan receivable carries interest at commercial rates and is secured by a guarantee from The Industrial and Commercial Bank of China – Shijiazhuang Branch. In the opinion of the directors, this loan receivable is repayable within one year.

**20. TRADE AND OTHER PAYABLES**

The aged analysis of trade payables is as follows:

	THE GROUP		THE COMPANY	
	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
0 to 90 days	72,908	118,358	–	–
91 to 180 days	47,108	31,901	–	–
181 to 365 days	10,813	20,855	–	–
More than 365 days	23,377	12,820	–	–
	<u>154,206</u>	<u>183,934</u>	–	–
Other payables	109,962	126,672	10,652	11,335
	<u><u>264,168</u></u>	<u><u>310,606</u></u>	<u><u>10,652</u></u>	<u><u>11,335</u></u>

**21. BANK LOANS**

	THE GROUP		THE COMPANY	
	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Bank loans	<u>443,286</u>	<u>431,636</u>	<u>106,148</u>	<u>162,319</u>
Analysed as:				
Secured	–	3,096	–	3,096
Unsecured	443,286	428,540	106,148	159,223
	<u><u>443,286</u></u>	<u><u>431,636</u></u>	<u><u>106,148</u></u>	<u><u>162,319</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

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*For the year ended December 31, 2000*

**21. BANK LOANS – continued**

The bank loans are repayable as follows:

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>2000</b>	1999	<b>2000</b>	1999
	<i><b>HK\$'000</b></i>	<i>HK\$'000</i>	<i><b>HK\$'000</b></i>	<i>HK\$'000</i>
Within one year or on demand	<b>311,634</b>	318,472	<b>53,074</b>	56,170
Between one to two years	<b>131,652</b>	60,089	<b>53,074</b>	53,074
Between two to five years	–	53,075	–	53,075
	<u><b>443,286</b></u>	<u>431,636</u>	<u><b>106,148</b></u>	<u>162,319</u>
Less: Amount shown under current liabilities	<u><b>(311,634)</b></u>	<u>(318,472)</u>	<u><b>(53,074)</b></u>	<u>(56,170)</u>
Amount due after one year	<u><b>131,652</b></u>	<u>113,164</u>	<u><b>53,074</b></u>	<u>106,149</u>

**22. SUBORDINATED LOAN FROM ULTIMATE HOLDING COMPANY**

The loan is unsecured and interest-free. Repayment of the loan is subordinated to a bank loan which is due in November 2002.

**23. SHARE CAPITAL**

	<b>Number of shares</b>	<b>Value HK\$'000</b>
Ordinary shares of HK\$0.10 each		
Authorised:		
At January 1, 1999, December 31, 1999 and December 31, 2000	<u><b>1,500,000,000</b></u>	<u><b>15,000</b></u>
Issued and fully paid:		
– balance at January 1, 1999	<b>1,045,176,525</b>	<b>104,518</b>
– issue of new shares on subscription	<b>140,000,000</b>	<b>14,000</b>
– issue of new shares as consideration for the acquisition of subsidiaries	<b>55,208,254</b>	<b>5,521</b>
– exercise of warrants (note 24)	<b>23,100</b>	<b>2</b>
	<u><b>1,240,407,879</b></u>	<u><b>124,041</b></u>
– balance at December 31, 1999	<b>1,240,407,879</b>	<b>124,041</b>
– exercise of warrants (note 24)	<b>39,400</b>	<b>4</b>
	<u><b>1,240,447,279</b></u>	<u><b>124,045</b></u>
At December 31, 2000	<u><b>1,240,447,279</b></u>	<u><b>124,045</b></u>