



31 March 2001

## 30. HIRE PURCHASE PAYABLES

|   | Group            |                  |
|---|------------------|------------------|
|   | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
| Amounts payable:                          |                  |                  |
| Within one year                           | 317              | 484              |
| In the second year                        | 171              | 265              |
| In the third to fifth years, inclusive    | 53               | —                |
|   | <hr/>            | <hr/>            |
| Total minimum hire purchase payments      | 541              | 749              |
| Less: Future hire purchase charges        | (17)             | (64)             |
|   | <hr/>            | <hr/>            |
| Hire purchase payables                    | 524              | 685              |
| Portion classified as current liabilities | (297)            | (437)            |
|   | <hr/>            | <hr/>            |
| Long term portion                         | 227              | 248              |
|   | <hr/>            | <hr/>            |



## Notes to Financial Statements

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### 31. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

|   | Group            |                  |
|---|------------------|------------------|
|   | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
| Bank overdrafts, secured                  | 1,077            | 8,460            |
| Bank overdrafts, unsecured                | —                | 458              |
| Bank loans, secured                       | 147,590          | 211,213          |
| Trust receipt loans, secured              | —                | 1,528            |
|   | <u>148,667</u>   | <u>221,659</u>   |
| Other borrowings, secured                 | 41,147           | 60,907           |
|   | <u>189,814</u>   | <u>282,566</u>   |
| Total bank loans and other borrowings     | 189,814          | 282,566          |
| Portion classified as current liabilities | (61,632)         | (209,580)        |
|   | <u>128,182</u>   | <u>72,986</u>    |
| Long term portion                         | <u>128,182</u>   | <u>72,986</u>    |
| Bank loans and overdrafts are repayable:  |                  |                  |
| Within one year                           | 20,485           | 205,965          |
| In the second year                        | 28,883           | 571              |
| In the third to fifth years, inclusive    | 58,776           | 2,086            |
| Beyond five years                         | 40,523           | 13,037           |
|   | <u>148,667</u>   | <u>221,659</u>   |
| Other borrowings are repayable:           |                  |                  |
| Within one year                           | 41,147           | 3,615            |
| In the second year                        | —                | 57,292           |
|   | <u>41,147</u>    | <u>60,907</u>    |

The bank loans and overdrafts are secured by the Group's time deposits of approximately HK\$23,643,000 (2000: HK\$150,931,000), certain of the Group's leasehold land and buildings and investment properties and the investment in a joint venture.

Other borrowings are due to financial institutions, bear interests at rates ranging from 10% to 12% per annum and are secured by the properties held for redevelopment and certain investment properties of the Group.



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### 32. DEPOSITS RECEIVED

The balance represents deposits received on the pre-sale of a commercial complex in the City-in-City Project (note 16).

### 33. SHARE CAPITAL, WARRANTS AND SHARE OPTIONS

#### Shares

|   | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|---|------------------|------------------|
| <i>Authorised:</i>  |                  |                  |
| 2,000,000,000 (2000: 200,000,000,000)<br>ordinary shares of HK\$0.01 each | <u>20,000</u>    | <u>2,000,000</u> |
| <i>Issued and fully paid:</i>   |                  |                  |
| 359,365,368 (2000: 29,184,793,517)<br>ordinary shares of HK\$0.01 each    | <u>3,594</u>     | <u>291,848</u>   |

During the year, the following movements in the share capital were recorded:

- (a) On 22 September 2000, 7,296,198,379 ordinary shares of HK\$0.01 each were issued by way of a bonus issue on the basis of one bonus share for every four existing shares held by shareholders on the register of members on 8 September 2000.
- (b) Repurchase of shares

During the year, the Company repurchased a total of 604,000,000 of its own shares of HK\$0.01 each on the open market. The repurchased shares were cancelled during the year and the issued share capital was reduced by the par value thereof.

The summary details of the repurchase of shares during the year are as follows:

| Trading month | Number of<br>ordinary shares<br>repurchased | Price per ordinary share |                | Total cost<br>(before<br>expenses)<br>HK\$'000 |
|---------------|---|--------------------------|----------------|--|
|               |   | Highest<br>HK\$          | Lowest<br>HK\$ |  |
| November 2000 | <u>604,000,000</u>                          | <u>0.010</u>             | <u>0.008</u>   | <u>5,399</u>                                   |



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### 33. SHARE CAPITAL, WARRANTS AND SHARE OPTIONS (Continued)

#### Shares (Continued)

##### (b) Repurchase of shares (Continued)

The surplus of approximately HK\$413,000 on the shares repurchased, being the difference between the total cost of approximately HK\$5,627,000, including the related repurchase expenses paid by the Company, and the aggregate amount of the nominal value of the 604,000,000 ordinary shares repurchased, was credited to the contributed surplus account of the Company. At the same time, an amount of HK\$6,040,000 was transferred from contributed surplus to the capital redemption reserve as set out in note 34 to the financial statements.

The repurchase of the Company's shares during the year was effected by the directors, with a view to benefiting shareholders as a whole by enhancing the net asset value per share of the Group.

- (c) Pursuant to an ordinary resolution passed in a special general meeting of the Company held on 18 December 2000, every 100 share of HK\$0.01 each of the Company was consolidated into one share of HK\$1.00 and the nominal value of the consolidated shares of HK\$1.00 each was reduced to HK\$0.01 each.
- (d) 595,450 shares of HK\$0.01 each were issued at a subscription price of HK\$0.38 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$226,271.

The movements in the issued share capital of the Company are summarised as follows:

|                                   | Number of<br>ordinary shares | Amount<br>HK\$'000 |
|-----------------------------------|------------------------------|--------------------|
| At beginning of year              | 29,184,793,517               | 291,848            |
| Bonus issue (note (a))            | 7,296,198,379                | 72,962             |
| Repurchase of shares (note (b))   | (604,000,000)                | (6,040)            |
| Capital reorganisation (note (c)) | (35,518,221,978)             | (355,182)          |
| Warrants exercised (note (d))     | 595,450                      | 6                  |
| At 31 March 2001                  | <u>359,365,368</u>           | <u>3,594</u>       |



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### 33. SHARE CAPITAL, WARRANTS AND SHARE OPTIONS *(Continued)*

#### **Warrants**

##### *Warrants expired on 31 December 2000*

At the beginning of the year, the holders of warrants were entitled to subscribe for up to 183,203,267 ordinary shares of HK\$0.01 each at a subscription price of HK\$0.21 per share, the maximum gross issue proceeds from which would amount to HK\$38,472,686, at any time on or before 31 December 2000.

Pursuant to the bonus issue of the Company in September 2000, the exercise price of the warrants was adjusted from HK\$0.21 to HK\$0.17 per share. Pursuant to the share consolidation in December 2000, the exercise price of the warrants was further adjusted from HK\$0.17 to HK\$17.00 per share. No warrants were exercised during the year and the then outstanding warrants expired on 31 December 2000.

##### *Warrants expiring on 31 December 2001*

During the year, a bonus issue of warrants was made in the proportion of one warrant for every five shares held by shareholders on the register of members on 1 December 2000, and 71,753,983 warrants were issued pursuant to the bonus issue. Each warrant entitles the holder thereof to subscribe for one ordinary share of HK\$0.01 at a subscription price of HK\$0.38 per share, payable in cash and subject to adjustment, from the date of issue to 31 December 2001.

During the year, 595,450 warrants were exercised to subscribe for 595,450 shares of HK\$0.01 each at HK\$0.38 per share. At the balance sheet date, the Company had 71,158,533 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 71,158,533 new ordinary shares with gross issue proceeds of HK\$27,040,243. Any unexercised warrants will expire on 31 December 2001.



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### 33. SHARE CAPITAL, WARRANTS AND SHARE OPTIONS (*Continued*)

#### Share options

Under a share option scheme (the "Scheme") approved and adopted in a special general meeting of the Company held on 13 November 1991, the directors may, on or before 12 November 2001, invite directors and/or executives of the Group, including any director of any company within the Group, to take up non-transferrable options to subscribe for shares in the Company. The subscription price for the shares under the Scheme will be determined by the Company's directors and may not be less than 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited for the five trading days immediately preceding the date of the offer of the option, or the nominal value of the shares, whichever is higher. The maximum number of shares which can be granted under the Scheme should not exceed, in nominal amount, 10% of the issued share capital of the Company in issue from time to time (excluding any shares issued pursuant to the exercise of options granted under the Scheme).

No option may be granted to any one person which, if exercised in full, would result in the total number of shares already issued and issuable to him under the Scheme exceeding 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

#### *Share options expired on 11 August 2000*

On 12 August 1997, the Company granted certain share options in favour of its executives and directors. The options entitled the holders to subscribe for ordinary shares of the Company of HK\$0.10 each at any time within three years from the date of grant.

At the beginning of year, the outstanding number of shares under the option was 587,999,994 and the exercise price of the share options was HK\$0.0339 per share. No options were exercised during the year and the then outstanding options expired on 11 August 2000.

#### *Share options expiring on 20 April 2002*

On 21 April 1999, the Company granted certain share options in favour of its executives and directors. The options entitled the holders to subscribe for ordinary shares of the Company at HK\$0.01 each at any time within three years from the date of grant.

At the beginning of the year, the outstanding number of shares under the option was 630,000,000 and the exercise price of the share options was HK\$0.01 per share.

Pursuant to the bonus issue of the Company during the year, the total number of shares under the option was adjusted from 630,000,000 to 787,500,000, and the exercise price of the share options remained unchanged.