

9. Share capital

	30 June 2001 HK\$'000	31 December 2000 HK\$'000
Authorised		
Ordinary shares of HK\$1 each	410,000	410,000
Issued and fully paid		
Ordinary shares of HK\$1 each		
Balance at beginning of period	341,973	344,278
Repurchases of shares	(494)	(2,305)
Balance at end of period	341,479	341,973

During the period, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	Number of shares	Price per share paid		Aggregate consideration paid
		Highest	Lowest	
<u>2001</u>		<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
January	24,000	2.375	–	57,000
February	24,000	2.375	–	57,000
March	110,000	2.375	–	261,250
April	70,000	2.125	2.10	147,950
May	197,000	2.125	–	418,625
June	69,000	2.125	–	146,625
	<u>494,000</u>			<u>1,088,450</u>

The above-mentioned shares were cancelled upon repurchase and, accordingly, the issued share capital of the Company was diminished by the nominal value of these shares. The premium and brokerage expenses paid on repurchase were charged against retained profit and an amount equivalent to the nominal value of the shares cancelled was transferred from retained profit to the capital redemption reserve as shown in note 10.

10. Reserves and proposed dividend

	Capital redemption reserve	Share premium	Capital reserve	Investment property revaluation reserve	Property revaluation reserve	Long-term investment revaluation reserve	Retained profit	Total	Proposed dividend
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1.1.2001									
- as previously reported	6,244	316,006	53,585	16,725	3,000	(80,220)	703,832	1,019,172	-
- prior year adjustment (Note 1)	-	-	-	-	-	-	-	-	3,418
- as restated	6,244	316,006	53,585	16,725	3,000	(80,220)	703,832	1,019,172	3,418
Realised on disposal of long-term listed investments	-	-	-	-	-	2,869	-	2,869	-
Revaluation deficit	-	-	-	-	-	(18,218)	-	(18,218)	-
Transfer to profit and loss account upon impairment in value of long-term investments	-	-	-	-	-	146,319	-	146,319	-
Release of negative goodwill upon disposal of subsidiaries	-	-	-	-	-	-	(751)	(751)	-
Loss for the period	-	-	-	-	-	-	(133,228)	(133,228)	-
2000 final dividend	-	-	-	-	-	-	-	-	(3,418)
2001 interim dividend	-	-	-	-	-	-	(3,410)	(3,410)	3,410
Premium and brokerage expenses paid on share repurchases	-	-	-	-	-	-	(599)	(599)	-
Transfer to capital redemption reserve upon share repurchases	494	-	-	-	-	-	(494)	-	-
At 30.6.2001	6,738	316,006	53,585	16,725	3,000	50,750	565,350	1,012,154	3,410

11. Contingent liabilities

Guarantee given by the Group in respect of banking facilities available to an associate amounted to HK\$41,250,000 (2000: HK\$41,250,000).

12. Pledge of assets

The Group pledged the shares in the unconsolidated subsidiary, certain listed shares and certain investment properties as security for banking facilities extended to the Group in the sum of HK\$716,000,000 (2000: HK\$716,000,000).

The Group pledged its shares in an associate as part of the security for bank loans granted to the associate. The Group has also subordinated and assigned its loan to the associate of HK\$123,606,000 (2000: HK\$121,131,000) to the bank by way of security.

13. Related party transactions

Details of material transactions are as follows:

- (a) During the period, two of the subsidiaries of the Group disposed of their long-term unlisted investments to a subsidiary of the Company's substantial shareholder, New World Development Company Limited, for total consideration of HK\$35,190,414 satisfied by the issue and allotment of 10,911,756 ordinary shares of HK\$0.1 each by New World China Land Limited. The terms of disposal were reached following arm's length negotiations between the parties and after taking into account the then trading price of New World China Land Limited shares listed on The Stock Exchange of Hong Kong Limited.
- (b) Loan and advances of HK\$286,977,000 (2000: HK\$284,501,000) were advanced by the Group to associates.
- (c) As mentioned in note 11, the Group had contingent liabilities in respect of guarantee for banking facilities available to an associate.
- (d) As mentioned in note 12, the Group pledged its shares in an associate and subordinated and assigned its loan to the associate for bank loans granted to the associate.