

(21) DEBTORS, DEPOSITS AND PREPAYMENTS

The Group maintains a defined credit policy. The general credit term ranges from 30 days to 90 days.

Debtors (net of provisions for bad and doubtful debts) aged analysis :

| | The Group | |
|---|--------------|--------------|
| | 2001 | 2000 |
| | HK\$ million | HK\$ million |
| Within 90 days | 3,043.6* | 494.0 |
| 91 days to 180 days | 12.8 | 10.3 |
| 181 days to 360 days | 7.7 | 8.2 |
| Over 360 days | 3.2 | 5.3 |
| | <hr/> | <hr/> |
| | 3,067.3 | 517.8 |
| Retentions receivable | 170.0 | 211.9 |
| Prepayments, deposits and other receivables | 218.9 | 124.2 |
| | <hr/> | <hr/> |
| | 3,456.2 | 853.9 |

* Included in debtors were proceeds of HK\$2,450.9 million relating to the sale of all the residential units of the PSPS project which were subsequently received in April, 2001.

(22) CREDITORS AND ACCRUED CHARGES

Creditors aged analysis:

| | | |
|-----------------------------|---------|---------|
| Within 30 days | 248.8 | 261.4 |
| 31 days to 90 days | 72.0 | 57.4 |
| 91 days to 180 days | 38.9 | 43.3 |
| Over 180 days | 7.8 | 5.1 |
| | <hr/> | <hr/> |
| | 367.5 | 367.2 |
| Retentions payable | 222.9 | 219.8 |
| Accruals and other payables | 627.1 | 558.3 |
| | <hr/> | <hr/> |
| | 1,217.5 | 1,145.3 |

For the year ended 31 March 2001

(23) SHARE CAPITAL

| | 2001 HK\$ million | 2000 HK\$ million |
|----------------------------------|----------------------|----------------------|
| (a) Authorised: | | |
| 400,000,000 shares of HK\$1 each | 400.0 | 400.0 |
| (b) Issued and fully paid: | | |
| Balance brought forward | 262.4 | 260.1 |
| Exercise of share options | 0.9 | 2.3 |
| Balance carried forward | 263.3 | 262.4 |

Employee share option scheme

Under the employee share option scheme which became effective on 16 July, 1997, the Board of Directors of the Company may offer to any Director or full time employee of the Company, or any of its subsidiaries, options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares and 90% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately after the preliminary announcement of the Group's annual results, subject to a maximum of 10% of the issued share capital of the Company from time to time. Consideration paid for each grant is HK\$1.

Pursuant to the employee share option scheme, options to subscribe for shares in the Company were granted to certain executives. At 31 March, 2001, options to subscribe for 8,762,000 shares (2000: 6,148,000 shares) within the following exercisable periods were outstanding:

| Exercisable period | Subscription price per share HK\$ | No. of share options at 1.4.2000 | Granted during the year | Exercised during the year | Cancelled during the year | No. of share options at 31.3.2001 |
|----------------------------------|-----------------------------------|----------------------------------|-------------------------|---------------------------|---------------------------|-----------------------------------|
| 25 January, 1998 - 24 July, 2002 | 7.50 | 42,000 | - | - | - | 42,000 |
| 25 July, 1998 - 24 July, 2002 | 7.50 | 42,000 | - | - | - | 42,000 |
| 25 July, 1999 - 24 July, 2002 | 7.50 | 122,000 | - | (80,000) | - | 42,000 |
| 25 July, 2000 - 24 July, 2002 | 7.50 | 510,000 | - | (386,000) | - | 124,000 |
| 25 July, 2001 - 24 July, 2002 | 7.50 | 510,000 | - | - | - | 510,000 |
| 15 January, 1999 - 14 July, 2003 | 4.14 | 24,000 | - | (6,000) | - | 18,000 |
| 15 July, 1999 - 14 July, 2003 | 4.14 | 38,000 | - | (20,000) | - | 18,000 |
| 15 July, 2000 - 14 July, 2003 | 4.14 | 540,000 | - | (492,000) | (4,000) | 44,000 |
| 15 July, 2001 - 14 July, 2003 | 4.14 | 540,000 | - | - | (4,000) | 536,000 |
| 15 July, 2002 - 14 July, 2003 | 4.14 | 540,000 | - | - | (4,000) | 536,000 |
| 7 January, 2000 - 6 July, 2004 | 11.21 | 648,000 | - | - | (6,000) | 642,000 |
| 7 July, 2000 - 6 July, 2004 | 11.21 | 648,000 | - | - | (6,000) | 642,000 |
| 7 July, 2001 - 6 July, 2004 | 11.21 | 648,000 | - | - | (6,000) | 642,000 |
| 7 July, 2002 - 6 July, 2004 | 11.21 | 648,000 | - | - | (6,000) | 642,000 |
| 7 July, 2003 - 6 July, 2004 | 11.21 | 648,000 | - | - | (6,000) | 642,000 |
| 4 January, 2001 - 3 July, 2005 | 9.56 | - | 728,000 | - | - | 728,000 |
| 4 July, 2001 - 3 July, 2005 | 9.56 | - | 728,000 | - | - | 728,000 |
| 4 July, 2002 - 3 July, 2005 | 9.56 | - | 728,000 | - | - | 728,000 |
| 4 July, 2003 - 3 July, 2005 | 9.56 | - | 728,000 | - | - | 728,000 |
| 4 July, 2004 - 3 July, 2005 | 9.56 | - | 728,000 | - | - | 728,000 |
| | | 6,148,000 | 3,640,000 | (984,000) | (42,000) | 8,762,000 |

(24) RESERVES

| | Property, plant and equipment revaluation reserve HK\$ million | Share premium account HK\$ million | Translation reserve HK\$ million | Contributed surplus HK\$ million | Capital reserve (Goodwill) HK\$ million | Retained profits HK\$ million | Reserve funds HK\$ million | Total HK\$ million |
|--|---|---|--|--|--|-------------------------------------|----------------------------------|-----------------------|
| The Group | | | | | | | | |
| At 1 April, 1999 | 33.6 | 509.8 | (0.2) | 197.6 | - | 180.5 | - | 921.3 |
| Capital reserve arising from acquisition of jointly controlled entities and additional interest in a subsidiary | - | - | - | - | 0.1 | - | - | 0.1 |
| Premium from shares issued | - | 11.7 | - | - | - | - | - | 11.7 |
| Profit for the year | - | - | - | - | - | 503.1 | - | 503.1 |
| Dividends | - | - | - | - | - | (473.9) | - | (473.9) |
| Depreciation | (0.6) | - | - | - | - | 0.6 | - | - |
| Exchange adjustment | - | - | (0.1) | - | - | - | - | (0.1) |
| Revaluation increase in the year | 2.7 | - | - | - | - | - | - | 2.7 |
| At 31 March, 2000 | 35.7 | 521.5 | (0.3) | 197.6 | 0.1 | 210.3 | - | 964.9 |
| Goodwill arising from acquisition of jointly controlled entities and additional interests in a subsidiary | - | - | - | - | (0.9) | - | - | (0.9) |
| Premium from shares issued | - | 4.7 | - | - | - | - | - | 4.7 |
| Profit for the year | - | - | - | - | - | 508.3 | - | 508.3 |
| Dividends | - | - | - | - | - | (475.2) | - | (475.2) |
| Depreciation | (0.8) | - | - | - | - | 0.8 | - | - |
| Exchange adjustments | - | - | (0.4) | - | - | - | - | (0.4) |
| Revaluation increase in the year | 1.4 | - | - | - | - | - | - | 1.4 |
| Transfer to reserve funds (note) | - | - | - | - | - | (0.4) | 0.4 | - |
| At 31 March, 2001 | 36.3 | 526.2 | (0.7) | 197.6 | (0.8) | 243.8 | 0.4 | 1,002.8 |
| The Company | | | | | | | | |
| At 1 April, 1999 | - | 509.8 | - | 88.9 | - | 6.0 | - | 604.7 |
| Premium from shares issued | - | 11.7 | - | - | - | - | - | 11.7 |
| Profit for the year | - | - | - | - | - | 470.7 | - | 470.7 |
| Dividends | - | - | - | - | - | (473.9) | - | (473.9) |
| At 31 March, 2000 | - | 521.5 | - | 88.9 | - | 2.8 | - | 613.2 |
| Premium from share issued | - | 4.7 | - | - | - | - | - | 4.7 |
| Profit for the year | - | - | - | - | - | 560.7 | - | 560.7 |
| Dividends | - | - | - | - | - | (475.2) | - | (475.2) |
| At 31 March, 2001 | - | 526.2 | - | 88.9 | - | 88.3 | - | 703.4 |

Note:

According to the relevant PRC rules and regulations applicable to foreign-owned enterprises, certain subsidiaries of the group are required to transfer at least 10% of their retained profits, as determined under PRC Accounting Regulations, to reserve funds.

For the year ended 31 March 2001

(24) RESERVES - continued

Included in the above is the Group's share of post-acquisition profits of its jointly controlled entities, as follows:

| | Translation reserve HK\$ million | Capital reserve (Goodwill) HK\$ million | Retained profits HK\$ million | Total HK\$ million |
|---|--|--|-------------------------------------|-----------------------|
| At 1 April, 1999 | - | - | 32.9 | 32.9 |
| Capital reserve arising from acquisition | - | 0.3 | - | 0.3 |
| Profit for the year | - | - | 29.5 | 29.5 |
| Dividends | - | - | (30.0) | (30.0) |
| At 31 March, 2000 | - | 0.3 | 32.4 | 32.7 |
| Goodwill arising from acquisition | - | (0.6) | - | (0.6) |
| Profit for the year | - | - | 24.3 | 24.3 |
| Dividends | - | - | (57.0) | (57.0) |
| Exchange adjustments | (0.2) | - | - | (0.2) |
| At 31 March, 2001 | (0.2) | (0.3) | (0.3) | (0.8) |

The contributed surplus of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

Contributed surplus of the Company arose when the Company issued shares in exchange for the equity in subsidiaries and associates pursuant to the group restructuring in January 1997. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders of the Company.

As at the balance sheet date, the Company's reserves, including the contributed surplus, available for distribution to shareholders amounted to HK\$177.2 million (2000 : HK\$91.7 million).

(25) BANK BORROWINGS

| | The Group | |
|---|----------------------|----------------------|
| | 2001 HK\$ million | 2000 HK\$ million |
| Secured bank loan | 2,022.6 | 1,194.3 |
| Unsecured bank loan | 4.7 | - |
| Less: Amounts due within one year | (2,027.3) | - |
| | <u>-</u> | <u>1,194.3</u> |
| The borrowings are repayable as follows: | | |
| Within one year | 2,027.3 | - |
| More than one year, but not exceeding two years | - | 1,194.3 |
| | <u>2,027.3</u> | <u>1,194.3</u> |

(26) DEFERRED TAXATION

| | The Group | |
|---------------------------------------|----------------------|----------------------|
| | 2001 HK\$ million | 2000 HK\$ million |
| At 1 April | 6.1 | 5.5 |
| (Credit) charge for the year (note 9) | (2.6) | 0.6 |
| At 31 March | <u>3.5</u> | <u>6.1</u> |

At the balance sheet date, the major components of the deferred taxation liabilities (assets), provided and unprovided, are as follows :

| | The Group | | | | The Company | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Provided | | Unprovided | | Provided | | Unprovided | |
| | 2001 HK\$ million | 2000 HK\$ million |
| Tax effect of timing differences arising from: | | | | | | | | |
| Excess of tax allowances over depreciation | 4.7 | 7.1 | 7.1 | 9.1 | - | - | 0.5 | 0.5 |
| Other timing differences | (0.6) | (1.0) | - | - | - | - | - | - |
| Tax effect of taxation losses | (0.6) | - | (8.4) | (9.7) | - | - | (2.1) | (2.1) |
| | <u>3.5</u> | <u>6.1</u> | <u>(1.3)</u> | <u>(0.6)</u> | <u>-</u> | <u>-</u> | <u>(1.6)</u> | <u>(1.6)</u> |

The amount of the unprovided deferred tax charge (credit) for the year is as follows:

| | The Group | | The Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2001 HK\$ million | 2000 HK\$ million | 2001 HK\$ million | 2000 HK\$ million |
| Tax effect of timing differences because of: | | | | |
| (Shortfall) excess of tax allowances over depreciation | (2.0) | (1.9) | - | 0.5 |
| Tax effect of taxation losses | 1.3 | 7.8 | - | (2.1) |
| | <u>(0.7)</u> | <u>5.9</u> | <u>-</u> | <u>(1.6)</u> |