

### Pledge of assets

As at 30th September, 2002, certain land and buildings of the Group with an aggregate carrying value of approximately HK\$17.7 million were pledged to banks to secure general facilities granted to the Group.

### Contingent liabilities

The Group did not have any significant contingent liabilities as at 30th September, 2002.

### Employee and remuneration policy

As at 30th September, 2002, the Group employed a total of approximately 44 employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. The Group also offers other benefits to employees including training, provident funds and medical coverage. Through the share option scheme provided to the eligible employees, it is intended to integrate their responsibilities, authority and benefits.

### Major events

#### **Proposed redemption of existing convertible notes and proposed placing and subscription of new convertible notes**

On 16th September, 2002, the Company and Galaxyway Investments Limited ("Galaxyway"), a controlling shareholder of the Company, entered into a redemption and subscription agreement pursuant to which the Company conditionally agreed to redeem the existing convertible notes in an aggregate principal amount of HK\$250 million issued by the Company to Galaxyway and, in consideration, Galaxyway conditionally agreed to subscribe for new convertible notes with face value amounting up to HK\$250 million. As regards the remaining holders of the existing convertible notes, the Company would offer to them to redeem their existing convertible notes issued by the Company and, in consideration, issue new convertible notes to them at their respective face values under substantially similar terms and conditions as those contained in the redemption and subscription agreement. In addition, pursuant to a conditional placing agreement dated 20th September, 2002, BNP Paribas Peregrine Securities Limited has been appointed by the Company as the placing agent to place, on a best endeavours basis, the new convertible notes of an aggregate principal amount of up to HK\$330,000,000 to the existing noteholders (other than Galaxyway) and/or other independent investors. On 4th October, 2002, supplemental agreements to the above agreements were entered into between the same parties in relation to the completion arrangements of the issue of the new convertible notes.

### 資產抵押

於二零零二年九月三十日，賬面總值約17,700,000港元之本集團若干土地及樓宇已抵押予銀行，用作本集團獲批出一般貸款之抵押品。

### 或然負債

本集團於二零零二年九月三十日並無任何重大或然負債。

### 僱員及酬金政策

於二零零二年九月三十日，本集團已聘用共約44名僱員。本集團乃按個別人士出任職位之能力及發展潛力招聘及晉升員工。員工酬金乃取決於員工之表現及市場當時之薪金水平。本集團亦提供其他福利予僱員，包括培訓、公積金及醫療保障計劃。為合資格僱員設立之購股權計劃旨在將彼等之職責、權力及福利掛鉤。

### 重大事項

#### **建議贖回現有可換股票據及建議配售及認購新可換股票據**

於二零零二年九月十六日，本公司與本公司之控股股東Galaxyway Investments Limited（「Galaxyway」）訂立贖回及認購協議，據此本公司有條件同意贖回本公司發行予Galaxyway本金總額為250,000,000港元之現有可換股票據，而作為代價，Galaxyway有條件同意認購面值不多於250,000,000港元之新可換股票據。就現有可換股票據之其餘持有人而言，本公司將向彼等提呈贖回本公司發行予彼等之現有可換股票據，而作為代價，根據贖回及認購協議所載之大致相若之條款及條件，按新可換股票據各自之面值發行新可換股票據予彼等。此外，根據於二零零二年九月二十日訂立之有條件配售協議，巴黎百富勤證券有限公司已獲本公司委任為配售代理，按「竭盡所能」之基準配售本金總額不多於330,000,000港元之新可換股票據予現有票據持有人（Galaxyway除外）及／或其他獨立投資者。於二零零二年十月四日，以上協議各方已就發行新可換股票據之完成安排為上述協議訂立補充協議。

### **Making of cash offers to acquire all the issued shares in, and warrants of, Paul Y. - ITC**

On 25th October, 2002, the Company announced that its indirect wholly owned subsidiary, Hollyfield Group Limited ("Hollyfield"), through Anglo Chinese Corporate Finance, Limited will make a voluntary conditional cash offer at the price of HK\$0.30 for each share in Paul Y. - ITC, other than those shares owned by the Company or its wholly owned subsidiaries. On 12th December, 2002, the share offer became unconditional as the condition requiring the Group and its concert parties to hold more than 50% of the voting rights attaching to the shares of Paul Y. - ITC has been satisfied. In addition, Hollyfield has also made an offer at the price of HK\$0.01 for each warrant to the holders of warrants of Paul Y. - ITC, other than the Company or its wholly owned subsidiaries.

Dr. Chan Kwok Keung, Charles has agreed to finance the offers in full by granting to the Company on 28th October, 2002, a term loan facility of up to HK\$180 million on an unsecured basis and on normal commercial terms.

### **Securities in issue**

As at the date of this report, the total number of issued ordinary shares of the Company is 630,960,774.

### **Outlook**

During the period, Hong Kong economy was still sluggish with high unemployment rate and fiscal deficit. Nevertheless, the recent steps taken by HKSAR Government to stabilise the property market may improve the economy in the medium or long term. In addition, the persistent high growth in China's GDP will not only make the China market the center stage for global investors but will also provide Hong Kong with significant business opportunities. The Group will build on its existing platform with stringent cost control measures so as to maintain a sound financial management and pursue its long term strategy under a prudent investment and development policy to explore high potential investments and attractive business opportunities. The Group will continue to focus on creating synergy for its strategic investments or among its strategic investments themselves and will remain confident to meet future challenges by taking advantage of the new opportunities lying ahead with its strong financial foundation and diversified investment portfolio.

### **提出現金收購建議以收購保華德祥之全部已發行股份及認股權證**

於二零零二年十月二十五日，本公司宣佈，其間接全資附屬公司Hollyfield Group Limited (「Hollyfield」) 透過英高財務顧問有限公司就保華德祥每股股份0.30港元之價格，提出自願有條件現金收購建議，惟不包括由本公司或其全資附屬公司擁有之該等股份。於二零零二年十二月十二日，由於就本集團及與其一致行動人士須持有隨附於保華德祥股份超過50%投票權之條件已達成，故股份收購建議成為無條件。Hollyfield亦按每份認股權證0.01港元之價格，向認股權證持有人提出收購建議，惟不包括由本公司或其全資附屬公司擁有之該等認股權證。

陳國強博士於二零零二年十月二十八日同意以無抵押方式及按一般商業條款提供最多180,000,000港元之貸款予本公司，為該等收購建議提供全部資金。

### **已發行證券**

於本報告刊發日期，本公司已發行普通股之總數為630,960,774股。

### **展望**

於期內，香港經濟仍然疲弱，失業率高踞不下及財赤情況嚴重。然而，香港特區政府最近採取穩定物業市場之措施，可望於中長線改善經濟情況。此外，中國國內生產總值持續高速增长，將使中國市場成為全球投資者之焦點，更為香港提供龐大商機。本集團將於其業務基礎上發展，採取嚴謹之成本控制措施以維持穩健之財務管理，以及根據審慎之投資及發展政策，實現其物色優厚潛力投資項目及理想商機之長遠策略。本集團將繼續專注為其策略投資項目或於其策略投資項目之間創造協同效益，並仍然深信配合其雄厚財務基礎及多元化投資組合，本集團將可迎接未來之挑戰及掌握日後出現之商機。