

Directors' Report (Cont'd)

Directors (Cont'd)

2. In accordance with the Company's Articles of Association, the following Directors are due to retire and, being eligible, offer themselves for re-election.

Mr. Ng Hung Sang, Robert

Mr. Tan Kai Seng

Service contracts of Directors

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without the payment of compensation other than statutory compensation.

Directors' interests in contracts

Save as disclosed in the paragraph headed "Connected Transactions", no contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had, whether directly or indirectly, a material interest subsisted at the end of the financial year or at any time during the financial year.

Connected Transactions

On 23 February 2000, HK 68 Limited, Kwai Ling Enterprises Company Limited and Lee Hing Investment Company, Limited, all being wholly-owned subsidiaries of the Company, entered into agreements to dispose of an aggregate of 99,012,563 shares in South China Holdings Limited ("South China") at a total consideration of HK\$118,815,075 to Fung Shing Group Limited ("Fung Shing"). Mr. Ng Hung Sang, Robert is a non-executive director of the Company. He is also a director and sole beneficial owner of Fung Shing and the chairman and a substantial shareholder of South China having direct and indirect control of over 50 % of the issued share capital of South China. All the Directors of the Company, other than Mr. Ng Hung Sang, Robert, considered that the terms of the transaction were fair and reasonable. A profit of approximately HK\$14 million was resulted from the disposal.

Details of the above transaction have been published in an announcement of the Company dated 28 February 2000.

Directors' interests in shares

At 31 December 2000, the beneficial personal interests and corporate interests of the Directors and their associates in the share capital of the Company as recorded in the register required to be maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

<u>Directors</u>	<u>No. of Ordinary Shares</u>	
	<u>Personal interests</u>	<u>Corporate interests</u>
Mr. Tan Boon Seng	900,000	18,891,000 (i) (iii) (iv)
Mr. Ang Guan Seng	—	—
Mr. Ho Hau Chong, Norman	—	—
Mr. Ng Hung Sang, Robert	—	—
Mr. Tan Choon Keat, Tony	—	8,304,000 (i) (ii)
Mr. Tan Kai Seng	—	—
Mr. Yeung Chik Kin	225,800	—

Directors' Report (Cont'd)

Directors' interests in shares (Cont'd)

Notes:

- (i) Wah Seong Enterprises Sdn. Bhd. held 2,100,000 shares. Messrs. Tan Choon Keat, Tony and Tan Boon Seng had beneficial interests in this company.
- (ii) Tan Kim Yeow Sdn. Bhd. and TKY Investments Pte. Ltd. in aggregate held 6,204,000 shares. Mr. Tan Choon Keat, Tony had beneficial interest in these companies.
- (iii) HK 1 Limited held 13,810,000 shares. Mr. Tan Boon Seng had beneficial interest in this company.
- (iv) TYMS Limited held 2,981,000 shares. This company is beneficially owned by Mr. Tan Boon Seng's children and Mr. Tan Boon Seng acts as trustee for his children.

Certain nominee shares in subsidiaries were held by Mr. Tan Boon Seng in trust for the Company or its subsidiaries.

Save as mentioned above, no Directors held an interest in the share capital of the Company's subsidiaries.

As at 31 December 2000, no right was granted to or exercised by any Director of the Company or his spouse or children under 18 years of age to subscribe for equity or debt securities of the Company.

Substantial shareholders

Details of substantial shareholders as recorded in the register of substantial shareholders' interests required to be kept by the Company under Section 16(1) of the Securities (Disclosure of Interests) Ordinance at 31 December 2000 were as follows:

	No. of Ordinary Shares	Percentage Holding
Parkway Holdings Limited	125,332,186 (i)	36.65
NWD (Hotels Investments) Limited	54,500,000 (ii)	15.94
IGB Corporation Berhad	35,020,000 (iii)	10.24

Notes:

- (i) The interest of Parkway Holdings Limited was held through its wholly-owned subsidiaries, Parkway Panama Limited Inc. and M & P Investments Pte. Limited.
- (ii) The interest of NWD (Hotels Investments) Limited (64% owned by New World Development Co. Ltd. and 36% owned by Chow Tai Fook Enterprises Ltd.) was held through its wholly-owned subsidiary company, Keep Silver Investments Limited.
- (iii) The interest of IGB Corporation Berhad was held through its wholly-owned subsidiary, Intercontinental Aviation Services Sdn. Bhd.

Save as mentioned above, none of the Company's shareholder was interested in 10% or more of the issued share capital of the Company as at 31 December 2000.

Purchase, sale or redemption of listed securities

Details of repurchases by the Company of its own shares during the year are set out in note 21 to the financial statements on page 32. The repurchases were made for the purpose of enhancing the net asset value per share of the Company.

Save as mentioned above, there was no purchase, sale or redemption by the Company or its subsidiaries of the Company's listed securities during the financial year.

Directors' Report (Cont'd)

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the financial year.

Code of best practice

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the year except that the Independent Non-executive Directors are not appointed for a specific term as they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

Auditors

The retiring auditors, H. C. Watt & Company Limited, have expressed their willingness to continue in office. A resolution to reappoint them as auditors of the Company will be put to the annual general meeting.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board.

Tan Boon Seng
Chairman

Hong Kong, 10 April 2001