

董事會報告書

The Directors present to the shareholders their report together with the audited financial statements of the Group and the Company for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the activities of its subsidiaries are principally engaged in property investment and development, investment holding and financing in the People's Republic of China (the "PRC"), other than Hong Kong.

The principal activities and other particulars of the principal subsidiaries and associates are set out in notes 43 and 44 to the financial statements respectively.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st December, 2000 are set out in the consolidated income statement on page 42.

No interim dividend was declared for the year (1999: Nil). The Directors do not recommend the payment of a final dividend for the year ended 31st December, 2000 (1999: Nil).

SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to (loss) profit from operations by principal activities and geographical markets are set out in note 5 to the financial statements.

GROUP FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 5.

FIXED ASSETS

During the year, the Group revalued all of its investment properties at the year end date. The net surplus arising on the revaluation, which has been credited directly to the consolidated income statement, amounted to HK\$2,800,000.

Details of these and other movements in the fixed assets of the Group during the year are set out in notes 16 and 17 to the financial statements.

本董事會謹向股東提呈截至二零零零年十二月三十一日止年度之董事會報告書及本集團及本公司之經審核財務報表。

主要業務

本公司為投資控股公司，其附屬公司主要在中華人民共和國（「中國」）（香港除外）從事物業投資與發展、投資控股及融資。

各主要附屬公司及聯營公司之主要業務及其他資料分別載於財務報表附註43及44。

業績及分配

本集團截至二零零零年十二月三十一日止年度之業績載於第42頁之綜合收益表內。

本年度內並無宣派中期股息（一九九九年：無）。董事會建議不派發截至二零零零年十二月三十一日止年度之末期股息（一九九九年：無）。

分類資料

以主要業務及地區市場劃分之本集團營業額及經營（虧損）溢利分析載於財務報表附註5。

集團財務概要

本集團於過去五個年度之業績、資產及負債摘要載於第5頁。

固定資產

年內，本集團所有投資物業已於結算日進行重估。重估盈餘淨額為2,800,000港元，已直接撥入綜合收益表。

有關上述本集團固定資產之變動及年內其他變動詳情載於財務報表附註16及17。

PRINCIPAL PROPERTIES

Details of the principal properties of the Group at 31st December, 2000 are set out on pages 89 to 96.

SHARE CAPITAL

During the year, the Company allotted and issued 1,581,384 shares to Copper King Investment Limited, a wholly-owned subsidiary of Chinese Estates Holdings Limited (“Chinese Estates”) at the price of HK\$2.12 per share.

Details of this movement in the share capital of the Company are set out in note 30 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 32 to the financial statements.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 31 to the financial statements.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist at law in Bermuda, being the jurisdiction in which the Company is incorporated.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the financial year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

MAJOR SUPPLIERS AND CUSTOMERS

Aggregate sales attributable to the Group's largest customers were less than 30% of the Group's total turnover. None of the Directors, senior management of the Company, or its subsidiaries or their respective associates has any interest in any of the five largest customers of the Group for the year.

There is no purchase made for the year and therefore no major supplier noted.

主要物業

本集團於二零零零年十二月三十一日之主要物業詳情載於第 89 至第 96 頁。

股本

年內，本公司向 Chinese Estates Holdings Limited (「華人置業」) 之全資附屬公司 Copper King Investment Limited 配發及發行 1,581,384 股股份，作價每股 2.12 港元。

有關上述本公司股本之變動詳情載於財務報表附註 30。

儲備

本集團及本公司於本年度內儲備之變動情況載於財務報表附註 32。

購股權計劃

本公司之購股權計劃詳情載於財務報表附註 31。

優先購買權

本公司於百慕達註冊成立，該司法權區之法例並無優先購買權存在。

購入、出售或贖回股份

於本財政年度內，本公司及其任何附屬公司均無購入、出售或贖回本公司任何上市股份。

主要供應商及客戶

本集團最大客戶應佔之總銷售額佔本集團之總營業額不足 30%。本公司或其附屬公司之董事或高級管理人員或彼等各自之聯繫人士概無於本集團本年度之五大客戶中擁有任何權益。

於年內並無進行任何購買，故並未錄得任何主要供應商。

DIRECTORS' REPORT

董事會報告書

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Thomas Lau, Luen-hung

Mr. Joseph Lau, Luen-hung

Mr. Lam, Kwong-wai

Independent Non-executive Directors

Mr. Nam, Lee-yick

Mr. Robert Charles Nicholson

Mr. Wang, Jian-guo

In accordance with Bye-law 87 of the Company's Bye-laws, Mr. Lam, Kwong-wai will retire from office by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2000, the interests of the Directors of the Company in the securities of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

I. The Company

本公司

Name of director	董事姓名	Number of shares 股份數目
Mr. Joseph Lau, Luen-hung – Corporate interests	劉鑾雄先生 – 公司權益	1,112,582,621 (Note 1) (附註 1)

董事

本公司於本年度及截至本報告書日期之董事芳名如下：

執行董事

劉鑾鴻先生

劉鑾雄先生

林光蔚先生

獨立非執行董事

藍利益先生

Robert Charles Nicholson 先生

王健國先生

根據本公司細則第87條，林光蔚先生將在即將舉行之股東週年大會上輪值告退，惟願膺選連任。

董事於本公司及聯繫公司證券之權益

於二零零零年十二月三十一日，本公司董事於本公司及其聯繫公司擁有之證券權益，按本公司根據證券（披露權益）條例（「披露權益條例」）第29條存置之登記冊所載或根據上市公司董事證券交易標準守則須向本公司及香港聯合交易所有限公司（「聯交所」）申報者如下：

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

董事於本公司及聯繫公司證券之權益 (續)

II. Associated Corporation of the Company
本公司之聯繫公司

Chinese Estates
華人置業

Name of director	董事姓名	Number of shares	股份數目
Mr. Joseph Lau, Luen-hung	劉鑾雄先生		
– Personal interests	– 個人權益	330,344,119	
– Other interests	– 其他權益	987,933,549 (Note 2)	(附註2)
Total interests	合計權益	1,318,277,668	

Notes:

- (1) *Mr. Joseph Lau, Luen-hung, by virtue of his 55.36% interest in the issued share capital of Chinese Estates as disclosed in paragraph II above, was deemed to be interested in the said 1,112,582,621 shares of the Company under the provisions of the SDI Ordinance.*
- (2) *The said 987,933,549 shares were indirectly owned by a discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung are eligible beneficiaries.*

附註：

- (1) 由於劉鑾雄先生擁有上文第II段所披露之華人置業已發行股本55.36%權益，故此，根據披露權益條例之規定而被視為擁有本公司上述1,112,582,621股股份之權益。
- (2) 上述987,933,549股股份乃由一項以劉鑾雄先生之若干家族成員為合資格受益人之全權信託間接擁有。

Other than as disclosed above, none of the other Directors and chief executives of the Company had or were deemed under the SDI Ordinance to have any interests in the securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as at 31st December, 2000, and none of the Directors or chief executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

除上文所披露者外，於二零零零年十二月三十一日，本公司之其他董事及主要行政人員概無擁有或依據披露權益條例之規定被視為擁有本公司或其任何聯繫公司（按披露權益條例之涵義）之任何證券權益，而本公司之董事或主要行政人員或彼等之配偶或十八歲以下之子女概無獲授或行使任何可認購本公司或其任何聯繫公司之任何證券之權利。

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2000, so far as are known to the Directors, the following parties (other than a director or chief executive of the Company) were recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance as, being directly or indirectly, interested/or deemed to be interested in 10% or more of the nominal value of the issued share capital of the Company:

Name of shareholder 股東名稱	Number of shares 股份數目	Notes 附註
(i) Oriental Master Ltd.	1,000,000,000	1
(ii) Chinese Estates Holdings Limited 華人置業	1,112,582,621	1 & 3
(iii) Golden Game Overseas Limited	1,112,582,621	2 & 3
(iv) Credit Suisse Trust Limited as trustee 作為受託人	1,112,582,621	2 & 3

Notes:

- (1) Party (i) is a subsidiary of party (ii) and its interests in the shares of the Company is duplicated and included in the shareholding stated against party (ii) above.
- (2) The shares relate to the same parcel of shares in the Company which are duplicated in the shareholding stated against party (ii) due to their respective interests in party (ii).
- (3) The 1,112,582,621 shares referred in the above parties (ii) to (iv) relate to the same parcel of shares referred to in corporate interests of Mr. Joseph Lau, Luen-hung under the heading "Directors' interests in the securities of the Company and associated corporations".

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, with the exception of the options to subscribe for shares of the Company granted under the Company's share option scheme to the executive directors and employees of the Company and its subsidiaries. During the year, no option has been granted under the share option scheme.

主要股東

於二零零零年十二月三十一日，據董事會所知，按本公司遵照披露權益條例第16(1)條存置之登記冊記錄，直接或間接擁有及／或被視為擁有本公司已發行股本面值10%或以上權益之人士（本公司之董事或主要行政人員除外）如下：

Name of shareholder 股東名稱	Number of shares 股份數目	Notes 附註
(i) Oriental Master Ltd.	1,000,000,000	1
(ii) Chinese Estates Holdings Limited 華人置業	1,112,582,621	1 & 3
(iii) Golden Game Overseas Limited	1,112,582,621	2 & 3
(iv) Credit Suisse Trust Limited as trustee 作為受託人	1,112,582,621	2 & 3

附註：

- (1) 第(i)項人士為第(ii)項人士之附屬公司，其於本公司股份之權益已重複計入並包括在上文所述第(ii)項人士之股權內。
- (2) 因其各自於第(ii)項人士之權益，該等股份為本公司之同一批股份，並已重複計入第(ii)項人士所述之股權內。
- (3) 上述第(ii)項至第(iv)項人士所述之該1,112,582,621股股份為「董事於本公司及聯繫公司證券之權益」一項所指劉鑾雄先生之公司權益之同一批股份。

購買股份或債券之安排

於本年度任何時間，本公司、其控股公司或其任何附屬公司或同集團附屬公司概無訂立任何協議，以使本公司之董事以購入本公司或任何其他法人團體之股份或債券之方式獲得利益，惟根據本公司之購股權計劃向本公司及其附屬公司之執行董事及僱員批出可認購本公司股份之購股權則除外。年內，本公司並無根據購股權計劃授出任何購股權。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Apart from the transactions disclosed under the headings "Interests in Contracts and Connected Transactions" and "Service Contracts of Directors" below and transactions disclosed under the heading "Related Party Transactions" in note 41 to the financial statements, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the year or at any time during the year, and in which a Director had, whether directly or indirectly, a material interest, nor there any other contracts of significance in relation to the Company's business between the Company, or any of the Company's subsidiaries, and a controlling shareholder or any of its subsidiaries.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

- (i) Under the terms of the Spin-off Agreement dated 28th October, 1996 entered into between Chinese Estates and the Company (the "Spin-off Agreement"), the Chinese Estates group agreed to provide the Group with financial, managerial, administrative and accounting services as may be requested by the Group from time to time and the Chinese Estates group would be reimbursed by the Group in respect of such services at cost. For the year ended 31st December, 2000, no payment was made to the Chinese Estates group (1999: Nil) as the Group did not request such services from the Chinese Estates group.
- (ii) Pursuant to an indemnity deed dated 28th October, 1996 entered into between Chinese Estates and the Company, the Chinese Estates group, subject to certain exceptions, agreed to indemnify the Group in respect of any diminution in the value of the Group and any liability arising due to, inter alia, land appreciation tax ("LAT"), PRC income tax, land costs, failure to effect tax registration and tax return filing and estate duty. As at 31st December, 2000, the indemnity in respect of the PRC income tax and LAT amounted to HK\$8,704,000 (1999: HK\$8,704,000) and HK\$23,144,000 (1999: HK\$23,144,000) respectively.

董事及控權股東於合約之權益

除下文「合約權益及關連交易」及「董事服務合約」以及財務報表附註 41 中題為「關連人士交易」所披露之交易外，於本年底或年內任何時間，本公司或其任何附屬公司所訂立與本公司業務有關之其他重大合約中，董事概無直接或間接擁有重大權益；此外，本公司或本公司任何附屬公司亦無與其控權股東或其任何附屬公司訂立與本公司業務有關之其他重大合約。

合約權益及關連交易

- (i) 根據華人置業與本公司於一九九六年十月二十八日訂立之分拆協議（「分拆協議」）之條款，華人置業集團同意應本集團不時之要求為本集團提供財務、管理、行政及會計服務，而本集團須按成本向華人置業集團償付該等服務之費用。截至二零零零年十二月三十一日止年度，由於本集團並無要求華人置業集團提供上述服務，故並無支付華人置業集團任何款項（一九九九年：無）。
- (ii) 根據華人置業與本公司於一九九六年十月二十八日訂立之賠償契據，在若干例外情況之規限下，華人置業集團同意就（其中包括）土地增值稅（「土地增值稅」）、中國所得稅、土地成本、未能進行稅務登記及報送稅務申請表及房產稅而引致本集團產生之減值及任何負債向本集團作出賠償保證。截至二零零零年十二月三十一日止年度，有關中國所得稅及土地增值稅之賠償分別為 8,704,000 港元（一九九九年：8,704,000 港元）及 23,144,000 港元（一九九九年：23,144,000 港元）。

董事會報告書

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

- (iii) The Chinese Estates group through its wholly-owned subsidiary, Chinese Estates, Limited (“CEL”), sub-leased to a wholly-owned subsidiary of Asian Win Realty Holdings Limited (“Asian Win”), which is a non wholly-owned subsidiary of the Company, Room 201 on 2nd Floor of MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong as head office and principal place of business in Hong Kong of Asian Win and its subsidiaries by a sub-lease agreement dated 3rd March, 1999. The sub-leased premises occupy approximately 1,320 sq.ft. and the sub-lease is on normal commercial terms for the period from 1st March, 1999 to 3rd February, 2001 at a monthly rental of HK\$39,600.00 and a monthly management fee of HK\$6,956.40.
- (iv) The Chinese Estates group through CEL sub-leased to Evergo Holdings (China) Company Limited (“Evergo BVI”), a wholly-owned subsidiary of the Company, an office premises of approximately 1,619 sq.ft. situate at Room 1006 on 10th Floor of MassMutual Tower as head office and principal place of business of the Group (other than Asian Win and its subsidiaries) in Hong Kong by a sub-lease agreement dated 3rd March, 1999 on normal commercial terms for the period from 26th February, 1999 to 30th September, 2000 at a monthly rental of HK\$48,570.00 and a monthly management fee of HK\$8,532.13. The sub-lease was renewed for a period of 2 years from 1st October, 2000 at a monthly rental of HK\$48,570.00 with rent free for 3 months in 2001 and 2 months in 2002 and a monthly management fee of HK\$8,532.13 for the 3 months from October to December 2000 and HK\$9,001.64 effective from January 2001.
- (v) The Company executed a deed of guarantee dated 3rd July, 1997 (as supplemented and amended by a deed of confirmation dated 15th October, 1998) in favour of Hua Chiao Commercial Bank Limited (“Hua Chiao Bank”) to guarantee the repayment by Asian Win of up to US\$3.0 million, which is in proportion to its shareholding in Asian Win, in respect of a bank loan granted to Asian Win of a principal amount of US\$5.0 million.

合約權益及關連交易 (續)

- (iii) 華人置業集團透過其全資附屬公司華人置業有限公司(「華置」)於一九九九年三月三日訂立分租協議,分租香港灣仔告士打道38號美國萬通大廈2樓201室予本公司之非全資附屬公司Asian Win Realty Holdings Limited(盛亞企業公司)(「盛亞」)之全資附屬公司作為盛亞及其附屬公司在香港之總辦事處及主要營業地點。該分租物業佔地約1,320平方呎,租賃期由一九九九年三月一日起至二零零一年二月三日止,該分租租約乃按一般商業條款訂立,月租為39,600.00港元,而管理費為每月6,956.40港元。
- (iv) 華人置業集團透過華置於一九九九年三月三日按一般商業條款訂立分租協議,將佔地約1,619平方呎位於美國萬通大廈10樓1006室之寫字樓分租予本公司之全資附屬公司Evergo Holdings (China) Company Limited(「Evergo BVI」)作為本集團(盛亞及其附屬公司除外)在香港之總辦事處及主要營業地點,租賃期由一九九九年二月二十六日至二零零零年九月三十日,月租為48,570.00港元,而管理費為每月8,532.13港元。該分租租約由二零零零年十月一日起續期兩年,月租為48,570.00港元,在二零零一年及二零零二年分別免租三個月及兩個月,而管理費由二零零零年十月至十二月三個月為每月8,532.13港元,由二零零一年一月起則為每月9,001.64港元。
- (v) 本公司於一九九七年七月三日向華僑商業銀行有限公司(「華僑銀行」)發出擔保契據(經一九九八年十月十五日之確認契據補充及修訂);據此,本公司已同意就華僑銀行批予盛亞本金總額為5,000,000美元之銀行貸款,擔保盛亞償還最多達3,000,000美元(即其於盛亞之持股量之比例)。

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

The aforesaid bank loan was reduced to a principal amount of US\$3.0 million and the final maturity date of the bank loan was further extended to 27th March, 2001 pursuant to the Fourth Deed of Variation and Supplement to Loan Agreement entered into between Asian Win and Hua Chiao Bank. The amount of liability of the Company under the aforesaid guarantee was revised to US\$1.8 million pursuant to the Third Deed of Confirmation dated 15th December, 2000 executed by the Company in favour of Hua Chiao Bank.

- (vi) Under the Spin-off Agreement (in the case of Chinese Estates) and the non-competition agreement (in the case of Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung) entered into between the said parties and the Company dated 28th October, 1996, Chinese Estates, Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung (together, the "Covenantors") have undertaken to the Group, subject to certain qualifications set out below, not to directly or indirectly participate in, hold any right or interest in or otherwise be involved in any property project in the PRC (other than through the Company):
- (a) The investment in each PRC property which is below HK\$50 million and is for own use and not for immediate resale.
- (b) The project which is rejected by the independent Non-executive Directors of the Company, provided that the reasons of rejection are properly minuted and the principal terms of the investment are disclosed.
- (c) The investment in shares of a listed company which competes with the Group provided that the shareholding does not exceed 15% of such listed company's issued share capital and further provided that the Covenantors are not entitled to appoint directors of that listed company to such number exceeding 15% of the total number of directors.

合約權益及關連交易 (續)

上述銀行貸款已減少至本金額 3,000,000 美元，並根據盛亞與華僑銀行訂立之第四份修訂及補充貸款協議契據進一步延長銀行貸款之最後到期日至二零零一年三月二十七日。本公司就上述保證之負債款額根據本公司與華僑銀行於二零零零年十二月十五日訂立之第三份確認契據修訂為 1,800,000 美元。

- (vi) 根據協議各方與本公司於一九九六年十月二十八日訂立之分拆協議（就華人置業而言）及不競爭協議（就劉鑾雄先生及劉鑾鴻先生而言），華人置業、劉鑾雄先生及劉鑾鴻先生（統稱「訂約人」）已向本集團承諾，在下列若干限制條件之規限下，不會直接或間接參與任何中國物業項目、持有任何中國物業項目之權利或權益或以其他方式參與任何中國物業項目，惟透過本公司則除外：
- (a) 每項中國物業之投資須低於 50,000,000 港元，並且須作自用及不會即時轉售。
- (b) 遭本公司獨立非執行董事拒絕接納之項目，而拒絕接納之理由已妥為記錄於董事會會議紀要及投資之主要條款已予披露。
- (c) 於一家與本集團彼此競爭之上市公司投資之股份持股量不得超過該上市公司之已發行股本 15%，且訂約人不得委任多於該上市公司董事總人數 15% 之董事。

董事會報告書

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

- (d) The joint venture project with the attributable total investment cost is greater than 15% of the consolidated net asset value of the Company as shown in its latest audited balance sheet.
- (vii) Under the Spin-off Agreement, the Company allotted, will allot and issue, credited as fully paid, shares to Chinese Estates or its nominee (Oriental Master Ltd.) or as it may direct on the following terms:
- (a) with respect to Huangsha Station Lot E, Guangzhou ("Lot E") and Zhong Shan Building, Qingdao ("Zhong Shan Building") or any of them (together, the "Deferred Projects"), 1,693,593 shares ("Initial Shares") representing approximately 10% of the total number of shares were allotted and issued by the Group as a capitalisation issue in respect of advances made by the Chinese Estates group in relation to the Deferred Projects on 15th November, 1996;
- (b) up to a maximum number of 15,245,614 additional shares ("Balance Shares") representing approximately 90% of the total number of shares to be allotted and issued by the Group as a capitalisation issue in respect of advances made by the Chinese Estates group in relation to the Deferred Projects provided the following conditions are fulfilled:
- (1) certain outstanding matters relating to Lot E, including payment of an overdue registered capital contribution of HK\$29.2 million (representing the Group's attributable contribution thereto) in relation to the joint venture company which holds the Group's attributable interest in Lot E, are resolved to the satisfaction of the independent Non-executive Directors of the Company; and

合約權益及關連交易 (續)

- (d) 合營項目應佔總投資額須超過本公司最近期之經審核資產負債表所示之本公司綜合資產淨值15%。
- (vii) 根據分拆協議，本公司按以下條款已配發、將配發及發行入賬列作繳足股份予華人置業或其代理人(Oriental Master Ltd.)或其指定之公司：
- (a) 就廣州市地下鐵道黃沙站E地段（「E地段」）及青島市中山大廈（「中山大廈」）或其中一項（統稱「遞延項目」）而言，本集團已配發及發行1,693,593股股份（「初期股份」），約佔股份總數10%，作為華人置業集團於一九九六年十一月十五日就遞延項目提供墊款撥作股本發行；
- (b) 在下列條件獲履行之情況下，配發及發行最多達15,245,614股額外股份（「其餘股份」），約佔將由本集團配發及發行之股份總數90%，作為華人置業集團就遞延項目提供墊款撥作股本發行：
- (1) 若干關於E地段之未完成事項，包括向持有本集團應佔E地段權益之合營公司支付已過期尚未出資之註冊資本約29,200,000港元（即本集團應佔之出資額），已獲本公司獨立非執行董事認同而獲得解決；及

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

- (2) certain outstanding matters relating to Zhong Shan Building, including payment of an overdue registered capital contribution of US\$450,961 (equivalent to approximately HK\$3.5 million) (representing the Group's attributable contribution thereto) in relation to the joint venture company which holds the Group's attributable interest in Zhong Shan Building, are resolved to the satisfaction of the independent Non-executive Directors of the Company.

The conditions set out in (1) and (2) above must be fulfilled within 24 months from the date of the Spin-off Agreement.

- (c) if any of the conditions set out in (1) or (2) in subparagraph (b) above in relation to Lot E and Zhong Shan Building are not fulfilled within 24 months from the date of the Spin-off Agreement, then the number of Balance Shares will be adjusted by reference to a valuation of the relevant Deferred Project prepared by independent professional valuers and commissioned at the request of the independent Non-executive Directors of the Company, in which case:

- (1) with respect to Lot E, up to 10,594,055 Balance Shares will be allotted and issued to Chinese Estates or its nominee (Oriental Master Ltd.) or as it may direct in satisfaction of its entitlement to the balance of the shares to be allotted under the capitalisation issue in respect of advances made by the Chinese Estates group in relation to Lot E;

合約權益及關連交易 (續)

- (2) 若干關於中山大廈之未完成事項，包括向持有本集團應佔中山大廈權益之合營公司支付逾期尚未出資之註冊資本 450,961 美元（約相等於 3,500,000 港元，即本集團應佔之出資額），已獲本公司獨立非執行董事認同而獲得解決。

上文(1)及(2)段所述之條件須於分拆協議日期起計 24 個月內達成。

- (c) 如上文(b)分段(1)或(2)所述有關 E 地段及中山大廈之任何條件未能於分拆協議之日期起計 24 個月內履行，則其餘股份之數目將參考由獨立專業估值師進行並依照本公司獨立非執行董事之要求委託進行之有關遞延項目之估值而作出調整，在此情況下：

- (1) 關於 E 地段，最多達 10,594,055 股其餘股份將配發及發行予華人置業或其代理人（Oriental Master Ltd.）或其指定之人士，作為償付根據有關華人置業集團就 E 地段提供墊款撥作股本發行而將予配發之應得股份餘額；

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

- (2) with respect to Zhong Shan Building, up to 4,651,559 Balance Shares will be allotted and issued to Chinese Estates or its nominee (Oriental Master Ltd.) or as it may direct in satisfaction of its entitlement to the balance of the shares to be allotted under the capitalisation issue in respect of advances made by the Chinese Estates group in relation to Zhong Shan Building;
- (d) the Balance Shares determined as set out in sub-paragraphs (b) and (c) above will be allotted and issued, on the earlier of (aa) the date on which the relevant condition is satisfied or (bb) the date on which the relevant joint venture enterprises are dissolved or liquidated in accordance with the relevant laws or (cc) the date on which the independent Non-executive Directors of the Company resolve to determine the number of Balance Shares by reference to the valuation to be prepared as mentioned in sub-paragraph (c) above or, in each case, as soon as practicable thereafter;
- (e) subject to sub-paragraph (f) below, the number of shares determined by reference to the valuation to be prepared as mentioned in sub-paragraph (c) above is less than the number of Initial Shares attributable to Lot E or Zhong Shan Building, Chinese Estates will within three months following the receipt of the said valuation report, pay to the Company in cash a sum representing the difference between the said valuation and the amount attributable to the Initial Shares;

合約權益及關連交易 (續)

- (2) 關於中山大廈，最多達 4,651,559 股其餘股份將配發及發行予華人置業或其代理人 (Oriental Master Ltd.) 或其指定之人士，作為償付根據有關華人置業集團就中山大廈提供墊款撥作股本發行前將予配發之應得股份餘額；
- (d) 按上文(b)及(c)分段所述而釐定之其餘股份將於下列較早者配發及發行：(aa)有關條件達成之日或(bb)有關合營企業按照有關法例解散或清盤之日或(cc)本公司獨立非執行董事參考上文(c)分段所述進行之估值後議決釐定其餘股份之數目或在各個情況下其後之盡快時間；
- (e) 在下文(f)分段之規限下，參考上文(c)分段所述而進行之估值所釐定之股份數目少於E地段或中山大廈應佔之初期股份數目，華人置業將會於收訖上述估值報告之三個月內向本公司以現金支付一筆相當於上述估值與初期股份應佔金額之差額；

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

- (f) if the relevant valuation report as prepared by the independent professional valuers pursuant to sub-paragraph (c) above confirms that the relevant Deferred Project has no commercial value, Chinese Estates shall within three months following the receipt of the said valuation report have the option to require the Group to assign and novate all rights to and obligations under the relevant Deferred Project to Chinese Estates subject to the payment of money as mentioned in sub-paragraph (e) above. In addition, the exercise of such option by Chinese Estates will be subject to (i) all applicable requirements of the Stock Exchange and other relevant rules and regulations and (ii) the approval by the independent Non-executive Directors of the Company. Immediately after the exercise of such option, the Group will have the first right of refusal to be appointed as the project manager of the relevant Deferred Project by Chinese Estates on normal commercial terms to be agreed.

Lot E and Zhong Shan Building were classified as “Deferred Projects” in the Spin-off Agreement as it was impractical for either the Company or Chinese Estates to put a value on the projects at that time given the outstanding conditions set out in (b)(1) and (2) above. As at 28th October, 1998, being the second anniversary from the date of the Spin-off Agreement, the conditions remain outstanding. The independent board committee of the Company has reviewed the situation and resolved to defer the adjustment mechanism set out in (c) above for 24 months (“Deferral”).

合約權益及關連交易（續）

- (f) 倘獨立專業估值師按上文(c)分段編製之有關估值報告確認有關之遞延項目並無商業價值，則華人置業將於收訖上述估值報告之三個月內有權選擇要求本集團將有關遞延項目之所有權利及責任轉讓及移交予華人置業，惟須按上文(e)分段所述支付款項。此外，華人置業行使該選擇權時將須(i)符合聯交所之所有適用規定及其他有關規則及規例及(ii)經由本公司獨立非執行董事批准。行使該選擇權後，本集團即享有優先選擇權，可獲華人置業按將予協定之一般商業條款委任為有關遞延項目之項目經理。

由於本公司或華人置業在上文(b)(1)及(2)項條件未達成之情況下不可能在當時定出該等項目之價值，故此E地段及中山大廈在分拆協議中被列為「遞延項目」。於一九九八年十月二十八日，即分拆協議日期起計兩週年，該等條件尚未達成。本公司獨立董事委員會已檢討情況，並決議將上文(c)項所載調整機制遞延24個月（「遞延」）。

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

On 31st March, 1999, the Company entered into an agreement with South Sea Development Company Limited ("South Sea"), an independent third party, for the disposal of Zhong Shan Building and other properties. The consideration was arrived at after arm's length negotiations and an independent valuation (the "Independent Valuation") on Zhong Shan Building was commissioned by South Sea. Given the value of Zhong Shan Building, the Executive Directors of the Company have proposed to adopt the Independent Valuation as a reference for determining any adjustment to the number of the Balance Shares to be issued by the Company to Chinese Estates upon completion of the disposal (the "Adoption of Third Party Independent Valuation"). Such proposal has been approved by the independent Non-executive Directors of the Company on 24th November, 1999.

A supplemental agreement dated 29th December, 1999 was entered into between Chinese Estates and the Company pursuant to which the parties agreed to the Deferral and the Adoption of Third Party Independent Valuation. Based on the Independent Valuation, 1,581,384 shares were allotted and issued by the Company to Copper King Investment Limited, a wholly-owned subsidiary of Chinese Estates, on 10th January, 2000.

On 8th March, 2001, a joint venture company in which the Group has a 33.33% interest agreed to entered into early termination agreements with Guangzhou Metro Corporation in relation to the joint venture contract and the articles of association of Guangzhou United Property Development Limited ("GUPD") respectively. GUPD is a sino-foreign co-operative joint venture formed for the development of Lot E. This deferred project will be dealt with in accordance with the terms to be agreed between the Group and Chinese Estates.

合約權益及關連交易 (續)

於一九九九年三月三十一日，本公司與獨立第三者南海發展有限公司（「南海」）就出售中山大廈及其他物業訂立一項協議。其代價乃按公平原則磋商而達成，而南海已委託獨立估值師就中山大廈進行獨立估值（「獨立估值」）。基於中山大廈之價值，本公司執行董事建議採納獨立估值作為決定調整本公司於出售完成時向華人置業發行其餘股份數目之參考（「採納第三者獨立估值」）。該項建議已於一九九九年十一月二十四日獲本公司獨立非執行董事批准。

華人置業與本公司於一九九九年十二月二十九日訂立補充協議，據此，雙方同意遞延及採納第三者獨立估值。根據獨立估值，本公司於二零零零年一月十日配發及發行 1,581,384 股股份予華人置業之全資附屬公司 Copper King Investment Limited。

於二零零一年三月八日，本集團擁有 33.33% 權益之合營公司同意與廣州市地下鐵道總公司分別就廣州捷聯房地產開發有限公司（「GUPD」）之合營合同及章程訂立提前終止協議。GUPD 乃就發展 E 地段而成立之中外合作合營企業。該遞延項目將會根據本集團與華人置業協定之條款處理。

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (continued)

(viii) Grandhall Secretarial Services Limited, a wholly-owned subsidiary of Chinese Estates, provides general company secretarial services to each of the subsidiaries of (i) the Company and (ii) Asian Win at a fee of HK\$3,500 per annum for each subsidiary. For the year ended 31st December, 2000, the aggregate payment made to the Chinese Estates group for the above services amounted to HK\$490,000 (1999: HK\$494,000).

The Directors expect that transactions (i) to (viii) will continue in the foreseeable future on the terms described above.

The above transactions have been reviewed and confirmed by the independent Non-executive Directors of the Company that the transactions are (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable than terms available to (from) independent third parties; and (c) fair and reasonable so far as the Shareholders of the Company are concerned or in accordance with the terms of respective agreements governing such transactions.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange, as at 31st December, 2000, the following directors of the Company had declared interests in the following company with businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company:

合約權益及關連交易 (續)

(viii) 華人置業之全資附屬公司均豪秘書服務有限公司以年費 3,500 港元（以每間附屬公司計）向(i)本公司及(ii)盛亞之各間附屬公司提供一般公司秘書服務。截至二零零零年十二月三十一日止年度，就上述服務向華人置業集團支付之總數為 490,000 港元（一九九九年：494,000 港元）。

董事會預期第(i)至第(viii)項之交易將於可見之將來按上述條款持續進行。

上述交易已經由本公司之獨立非執行董事審閱，而彼等已確認該等交易(a)乃於本集團一般及日常業務中進行；(b)乃按一般商業條款或不遜於提供予或提供自獨立第三者之條款進行；及(c)對本公司股東而言乃屬公平合理，並按照監管該等交易之有關協議之條款進行。

董事於競爭性業務之權益

於二零零零年十二月三十一日，根據聯交所上市規則第 8.10 條，下列本公司董事宣布於下列與本公司業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESS (continued)

董事於競爭性業務之權益 (續)

Name of directors 董事姓名	Name of company 公司名稱	Nature of business considered to compete or likely to compete with the businesses of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質	Nature of interest of the directors in the company 董事於該公司之 權益性質
Joseph Lau, Luen-hung 劉鑾雄	The Kwong Sang Hong International Limited and its subsidiaries 廣生行及其附屬公司	Property investment, property development, investment holding and financing in the PRC 於中國從事物業投資、 物業發展、投資控股及融資	Director and having certain deemed interests in Kwong Sang Hong 董事及於廣生行擁有若干 被視為擁有之權益
Thomas Lau, Luen-hung 劉鑾鴻	The Kwong Sang Hong International Limited and its subsidiaries 廣生行及其附屬公司	Property investment, property development, investment holding and financing in the PRC 於中國從事物業投資、 物業發展、投資控股及融資	Director 董事

The above-mentioned businesses are managed by a separate publicly listed company with independent management and administration. In this respect, coupled with the diligence of its independent non-executive directors (whose views carry significant weight in the Board's decisions) and the independent Audit Committee, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above company.

Other than as disclosed above, none of the directors are interested in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's business.

上述業務乃由一間獨立上市公司管理，該獨立上市公司擁有獨立管理及行政程序。就此而言，結合其對董事會決策有重大影響力之獨立非執行董事及獨立審核委員會之努力，本集團有能力獨立從事其業務，而不受上述公司之業務所影響。

除上文所披露者外，概無董事於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務（本公司業務除外）中擁有權益。

SERVICE CONTRACTS OF DIRECTORS

Mr. Lam, Kwong-wai has entered into a service contract with the Company on 28th October, 1996 which shall continue unless and until terminated at any time by either party giving three months' prior written notice or in lieu of such notice payment of the relevant basic salary.

Save as disclosed above, none of the Directors has any service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

PENSION SCHEME

From 1st January to 30th November, 2000, the employees of the Group were covered under a staff provident fund scheme (the "Scheme") as defined in the Occupational Retirement Schemes Ordinance (Chapter 426 of the laws of Hong Kong). There is a change in the pension scheme policy for the Group since the introduction of the mandatory provident fund scheme by the government in December 2000. From 1st December, 2000 onwards, existing staff members can opt to stay in the Scheme or join a pension scheme as modified according to the government required mandatory provident fund scheme (the "MPF") while all new staff members are restricted to join the MPF only.

Both the Scheme and the MPF are defined contribution schemes and the assets of both schemes are managed by their respective trustees accordingly.

The Scheme is available to the Group's full-time permanent staff employed in Hong Kong on or before 1st August, 2000. Contributions to the Scheme are made by the Group at 5%, 7.5% or 10% based on the staff's basic salary depending on the length of service. Staff members are entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or are entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Scheme allows any forfeited contributions (made by the Group for any staff member who subsequently leaves the Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

董事服務合約

林光蔚先生於一九九六年十月二十八日與本公司訂立服務合約。除非及直至任何一方於任何時候發出三個月事先書面通知或以有關基本薪金代替該通知終止合約，否則該合約將繼續生效。

除上文所披露者外，董事與本公司或其任何附屬公司概無訂立任何不可由聘用公司於一年內終止而毋須支付補償（法定補償除外）之服務合約。

退休金計劃

由二零零零年一月一日至十一月三十日，本集團僱員均參加一項僱員公積金計劃（「公積金計劃」）（定義見香港法例第426章職業退休計劃條例）。自政府於二零零零年十二月推出強制性公積金計劃後，本集團之退休金計劃政策有所變更。由二零零零年十二月一日起，現有僱員可選擇繼續參加公積金計劃，或轉為參加根據政府規定之強制性公積金計劃而修訂之新退休金計劃（「強積金計劃」），而所有新入職僱員則只可參加強積金計劃。

公積金計劃及強積金計劃均為定額供款計劃，該等計劃之資產乃由各自之受託人管理。

公積金計劃可供於二零零零年八月一日或之前在香港受僱之本集團全職長期僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。公積金計劃容許本集團將任何已沒收供款（即本集團就任何可獲得全部供款前退出公積金計劃之僱員而作出之供款）用以抵銷本集團現有之供款水平。

董事會報告書

PENSION SCHEME (continued)

The MPF is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

In order to provide similar benefits to those who join the MPF and the Scheme, the Group provides an additional portion (the "Top-up Portion") for those who join the MPF. The purpose of the Top-up Portion is to match up the benefits of the MPF with that of the Scheme by providing those staff under the MPF with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Portion are made by the Group at 5%, 7.5% or 10% of staff's basic salary less the Group's mandatory contribution under the MPF as mentioned above.

The Group's cost for the schemes charged to income statement for the year ended 31st December, 2000 amounted to HK\$233,000 (1999: HK\$192,000). In addition, an amount of forfeited employer's contributions for the Scheme amounted to HK\$22,000 (1999: HK\$43,000) was utilised towards reducing the Group's contributions during the year.

Note: The schemes only apply to Hong Kong employees of the Group. For the Group's PRC employees, the Group complies with the statutory requirements under PRC law relating to social welfare contributions or similar payments.

MANAGEMENT AND CONSULTANCY AGREEMENT

There existed no management and consultancy agreement during the year.

POST BALANCE SHEET EVENT

Details of significant post balance sheet event is set out in note 42 to the financial statements.

退休金計劃 (續)

強積金計劃可供所有 18 至 64 歲受僱於香港最少 60 日之本集團僱員參加。本集團根據僱員之有關入息作出 5% 之供款。就供款而言，有關入息上限為每月 20,000 港元。不論其於本集團之服務年期，僱員均可取得 100% 本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡 65 歲方可領取。

為了向參加強積金計劃及公積金計劃之僱員提供相近之福利，本集團為參加強積金計劃之僱員提供額外部份（「補足部份」）。補足部份之目的是向月薪逾 20,000 港元及 / 或服務年期逾 5 年之僱員提供與公積金計劃相近之福利。本集團將根據僱員基本薪金之 5%、7.5% 或 10% 減本集團根據強積金計劃作出之強制性供款而作出補足部份之供款。

本集團於截至二零零零年十二月三十一日止年度就該等計劃於收益表扣除之費用為 233,000 港元（一九九九年：192,000 港元）。此外，就公積金計劃之已沒收僱主供款 22,000 港元（一九九九年：43,000 港元）已於年內用作削減本集團之供款。

附註：該等計劃僅適用於本集團之香港僱員。至於本集團之中國僱員，本集團已遵照中國法例有關社會公積金或類似款項之法定要求。

管理及顧問協議

年內並無管理及顧問協議。

結算日後事項

結算日後重大事項之詳情載於財務報表附註 42。

CORPORATE GOVERNANCE

The Group has complied throughout the year ended 31st December, 2000 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

AUDITORS

The financial statements for the year were audited by Messrs. Deloitte Touche Tohmatsu who will retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-appointment.

On behalf of the Board
Thomas Lau, Luen-hung
Chairman

Hong Kong, 6th April, 2001

公司管治

本公司於截至二零零零年十二月三十一日止整個年度一直遵行上市規則附錄十四所載之最佳應用守則。

核數師

本年度之財務報表由德勤·關黃陳方會計師行審核。該會計師行將於即將舉行之股東週年大會結束時任滿告退，惟願膺聘連任。

代表董事會
主席
劉鑾鴻

香港，二零零一年四月六日