

Save as disclosed in note 21(a) to the accounts, there was 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 had, whether directly or indirectly, a material interest subsisting at the end of the year or at any time during the year.

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.)

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2001, according to the register kept by the Company under section 16(1) of the SDI Ordinance and save as disclosed in the section headed "Directors' Interests" above, Madam Chuang Shau Har in her capacity as trustee of a discretionary trust held 162,332,624 shares in the Company.

Save as aforesaid, the directors of the Company were not aware of any other persons who, as at 31st March, 2001, were directly or indirectly beneficially interested in 10% or more of the issued share capital of the Company.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in note 21(a) to the accounts, there was no contract of significance between the Company (or any of its subsidiaries) and the controlling shareholders (or any of their subsidiaries) at the balance sheet date or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial parts of the business of the Company were entered into or existed during the year.

GROUP BORROWINGS AND INTEREST CAPITALISED

Bank loans and other borrowings of the Group are set out in note 24 to the accounts. The amount of interest capitalised to properties held for/under development during the year by the Group is set out in note 5 to the accounts.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the year.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the aggregate purchases attributable to the single largest supplier and the five largest suppliers were approximately 12% and 39% of the total purchases of the Group respectively. The five largest customers accounted for less than 30% of the total turnover of the Group. None of the directors, their associates, nor any shareholders who, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had owned any interests in any of the Group's five largest suppliers and customers.

RETIREMENT SCHEMES

The Group contributes to defined contribution retirement schemes (the "Schemes") which are available to all eligible employees. The Group may utilise the forfeited contributions to reduce its future contributions. The total amount, net of forfeited contributions of HK\$70,931 (2000: HK\$77,680), contributed by the Group to the Schemes for the year ended 31st March, 2001 was HK\$2,413,165 (2000: HK\$1,852,067) and was charged to the profit and loss account. As at 31st March, 2001, there was no remaining amount of forfeited contributions which may be used to reduce the Group's future contributions.

CORPORATE GOVERNANCE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules 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 at the Company's annual general meeting in accordance with the Bye-laws of the Company.

AUDIT COMMITTEE

The board of directors has established an audit committee (“Audit Committee”) with reference to the Guide for The Formation of An Audit Committee issued by the Hong Kong Society of Accountants in December 1997 and appointed Dr. Peter Po Fun Chan and Mr. David Chris Lee Tsung Hei, both independent non-executive directors of the Company, as members of the Audit Committee. Members of the Audit Committee have met in accordance with the relevant requirements.

RELATED PARTY TRANSACTION

Details of the transaction entered into by the Group are set out in note 30 to the accounts.

PRACTICE NOTE 19 TO THE LISTING RULES

Prior to the date of this report, the Group has entered into a loan agreement which required Mr. Alan Chuang Shaw Swee, Mrs. Alice Siu Chuang Siu Suen and members of their family and family trust and/or companies beneficially owned by any of them to hold an aggregate shareholding of not less than 35% of the issued share capital of the Company throughout the tenure of the loan agreement. As at the date of this report, the loan agreement still subsists. The total amount of loan involved as at 31st March, 2001 was HK\$283,000,000 and the last instalment of the loan is to be made on 30th September, 2007.

Save as disclosed herein, there is no other disclosure required to be made by the Company pursuant to Practice Note 19.

SUBSEQUENT EVENTS

Details of the subsequent events of the Group are set out in note 31 to the accounts.

AUDITORS

The accounts for the year were audited by PricewaterhouseCoopers who will retire and, being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting.

The accounts for the year ended 31st March, 1999 were audited by Price Waterhouse. PricewaterhouseCoopers replaced Price Waterhouse in 2000 following the merger of Price Waterhouse and Coopers & Lybrand.

On behalf of the board of

Chuang's Consortium International Limited

Alan Chuang Shaw Swee

Chairman

Hong Kong, 16th July, 2001