

The Directors present their report together with the audited financial statements for the year ended 31st December, 2001.

## PRINCIPAL ACTIVITIES

During the year, the Company acted as an investment holding company and its subsidiaries were principally engaged in property investment and development, securities investment and money lending.

## TURNOVER AND CONTRIBUTION BY SEGMENT

The Group's turnover and contribution to profit from operations analysed by principal activities are set out in note 5 to the financial statements.

## SUBSIDIARIES AND ASSOCIATES

During the year, the Company privatised its associate, Evergo China Holdings Limited ("Evergo China"), by way of a scheme of arrangement involving the cancellation of all the issued shares of Evergo China other than held by the Group. Upon the scheme becoming effective in November 2001, Evergo China became a wholly-owned subsidiary of the Company. Under the scheme, the Company allotted 1,062,670 new shares of HK\$0.10 each of the Company (the "Shares") to the scheme shareholders of Evergo China who elected share alternative on the basis of 123 Shares for every 1,000 shares of Evergo China, and made cash payment of approximately HK\$206 million to scheme shareholders of Evergo China who elected cash alternative on the basis of HK\$0.18 in cash for each share of Evergo China in November 2001.

Particulars of the Company's principal subsidiaries and associates as at 31st December, 2001 are set out in notes 44 and 45 to the financial statements respectively.

## RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st December, 2001 are set out in the consolidated income statement on page 53.

本董事會謹提呈截至二零零一年十二月三十一日止年度之董事會報告書及經審核財務報表。

## 主要業務

於本年度內，本公司為一間投資控股公司，其附屬公司主要從事物業投資及發展、證券投資及放債。

## 營業額及業績貢獻分析

本集團以主要業務劃分之營業額及經營溢利貢獻分析載於財務報表附註 5。

## 附屬公司及聯營公司

於本年度內，本公司透過協議計劃將其聯營公司 Evergo China Holdings Limited (「愛美高中國」) 私有化，其中涉及註銷非本集團持有之愛美高中國全部已發行股份。計劃於二零零一年十一月生效後，愛美高中國成為本公司之全資附屬公司。根據計劃，於二零零一年十一月，本公司向選取股份方案之愛美高中國計劃股東，以每 1,000 股愛美高中國股份獲配 123 股本公司股份為基準，共配發 1,062,670 股每股面值 0.10 港元之本公司新股份 (「股份」)；另向選取現金方案之愛美高中國計劃股東，以每股愛美高中國股份獲付現金 0.18 港元為基準，支付現金約 206,000,000 港元。

本公司於二零零一年十二月三十一日之主要附屬公司及聯營公司之詳情，分別載於財務報表附註 44 及 45。

## 業績及分配

本集團截至二零零一年十二月三十一日止年度之業績載於第 53 頁之綜合收益表內。

## RESULTS AND APPROPRIATION (cont'd)

No interim dividend was paid for the year (2000 : Nil). The Board resolved not to recommend the payment of any final dividend for the year ended 31st December, 2001 (2000 : Nil).

## FINANCIAL OPERATION REVIEW

Certain further information in relation to the Group's results and financial operations are shown on pages 17 to 20.

## CONVERTIBLE BONDS

On 21st March, 2001, the Company issued convertible bonds in the aggregate principal amount of HK\$200 million bearing the interest of 3% per annum due on 20th March, 2003 (the "Convertible Bonds"), of which the principal amounts of HK\$180 million and HK\$20 million were issued to a company ultimately beneficially owned by a discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung were eligible beneficiaries and to a company wholly-owned by Mr. Thomas Lau, Luen-hung respectively.

Bondholders were entitled to convert the Convertible Bonds into Shares at HK\$1.08 each (subject to adjustment) before the close of business on the business day immediately preceding 20th March, 2003.

The Company had an overriding right to redeem the Convertible Bonds for cash instead of issuing further new Shares at a premium which would provide the bondholders with an effective rate of return equal to 8% per annum (including interest of 3% per annum) for the Convertible Bonds.

In September 2001, the Company exercised its overriding right to redeem in cash all the Convertible Bonds.

## SHARE CAPITAL

The Company allotted 1,062,670 new Shares on 26th November, 2001 in consideration of cancelling 8,639,594 shares of Evergo China pursuant to the scheme of arrangement in respect of the privatisation of Evergo China effective on 16th November, 2001.

## 業績及分配 (續)

本年度並無派付中期股息 (二零零零年 : 無)。董事會已決議不建議派付截至二零零一年十二月三十一日止年度之任何末期股息 (二零零零年 : 無)。

## 財務業務回顧

有關本集團業績及財務業務之若干其他資料載於第 17 至第 20 頁。

## 可換股債券

於二零零一年三月二十一日，本公司發行本金總額 200,000,000 港元於二零零三年三月二十日到期之年息 3 厘可換股債券 (「可換股債券」)，其中本金額 180,000,000 港元及 20,000,000 港元之可換股債券乃分別發行予劉鑾雄先生之若干家族成員為合資格受益人之全權信託最終實益擁有之公司及劉鑾鴻先生全資擁有之公司。

債券持有人有權於緊接二零零三年三月二十日前一個交易日之辦公時間結束前按每股 1.08 港元 (可予調整) 轉換可換股債券為股份。

本公司擁有凌駕權可向債券持有人提供相當於每年 8 厘 (包括年息 3 厘) 之可換股債券實際回報率之溢價，以現金贖回可換股債券，而毋須發行新增股份。

於二零零一年九月，本公司行使凌駕權，以現金贖回所有可換股債券。

## 股本

本公司於二零零一年十一月二十六日配發 1,062,670 股新股份，作為根據於二零零一年十一月十六日生效之愛美高中國私有化協議計劃而註銷 8,639,594 股愛美高中國股份之代價。

## SHARE CAPITAL (cont'd)

Movements in the share capital of the Company during the year are set out in note 34 to the financial statements.

## PROPERTY AND OTHER FIXED ASSETS

Movements in property and other fixed assets during the year are set out in note 17 to the financial statements.

## INVESTMENT PROPERTIES

During the year, the Group acquired certain leasehold properties in Hong Kong for a total consideration of approximately HK\$1,274,883,000 (2000 : approximately HK\$476,184,000) in order to replenish the Group's operating capacity. Investment properties with an aggregate net book value of approximately HK\$84,603,000 (2000: approximately HK\$2,919,000) were disposed of during the year.

Details of these and other movements in investment properties during the year are set out in note 16 to the financial statements.

## PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2001 are set out on pages 118 to 128.

## RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 35 to the financial statements.

## PRE-EMPTIVE RIGHTS

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

## 股本 (續)

本公司股本於本年度內之變動情況載於財務報表附註 34。

## 物業及其他固定資產

物業及其他固定資產於本年度內之變動情況載於財務報表附註 17。

## 投資物業

於本年度內，本集團以總代價約**1,274,883,000**港元(二零零零年：約**476,184,000**港元)購入若干位於香港之租賃物業，以鞏固本集團之營運能力。本年度內亦出售總賬面淨值約**84,603,000**港元(二零零零年：約**2,919,000**港元)之投資物業。

於本年度內有關投資物業之上述變動及其他變動詳情載於財務報表附註 16。

## 主要物業

本集團於二零零一年十二月三十一日之主要物業詳情載於第 118 至第 128 頁內。

## 儲備

本集團及本公司於本年度內之儲備變動情況載於財務報表附註 35。

## 優先購買權

本公司於百慕達註冊成立，該司法轄區並無優先購買權存在。

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December, 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$303,000 (2000 : HK\$679,000).

## DIRECTORS

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

Mr. Thomas Lau, Luen-hung (Chairman)  
Mr. Joseph Lau, Luen-hung  
Mr. Peter Sit, Kien-ping\*  
Ms. Wong, Sin-yee\* (appointed on 11th March, 2002)  
Mr. Raymond Cheung, Yuet-man\* (resigned on 22nd February, 2002)  
*\* Independent Non-Executive Director*

Mr. Peter Sit, Kien-ping and Ms. Wong, Sin-yee will retire from office at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election in accordance with Bye-law 111 of the Bye-laws of the Company.

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

As at 31st December, 2001, the interests of the Directors of the Company in the equity and debt 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:

## 購買、出售或贖回上市證券

截至二零零一年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 慈善捐款

本集團於本年度內之慈善捐款額為 **303,000** 港元 (二零零零年 : **679,000** 港元)。

## 董事

於本年度內及直至本報告書日期止，本公司之董事芳名如下：

劉鑾鴻先生 (主席)  
劉鑾雄先生  
薛建平先生 \*  
黃倩儀小姐 \* (於二零零二年三月十一日獲委任)  
張悅文先生 \* (於二零零二年二月二十二日辭任)  
*\* 獨立非執行董事*

根據本公司之公司細則第 111 條，薛建平先生及黃倩儀小姐將在即將舉行之股東週年大會上告退，惟願膺選連任。

## 董事於本公司及相聯法團之證券權益

於二零零一年十二月三十一日，本公司董事於本公司及其相聯法團之股本及債務證券中之權益，按本公司根據證券(披露權益)條例(「披露權益條例」)第 29 條置存之登記冊所載或根據上市公司董事證券交易標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)者如下：

**DIRECTORS' INTERESTS IN THE SECURITIES OF  
THE COMPANY AND ASSOCIATED CORPORATIONS  
(cont'd)**

**董事於本公司及相聯法團之  
證券權益 (續)**

**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	劉鑾雄先生	
– Personal interests	– 個人權益	410,061,668
– Other interests	– 其他權益	1,000,000,000 (note a)(附註 a)
Total	總計	1,410,061,668
Mr. Thomas Lau, Luen-hung	劉鑾鴻先生	
– Corporate interests	– 公司權益	11,058,000
– Other interests	– 其他權益	206,379,187 (note b)(附註 b)
Total	總計	217,437,187

Notes :

- a. The 1,000,000,000 Shares were indirectly owned by a discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung were eligible beneficiaries.
- b. The 206,379,187 Shares were indirectly owned by another discretionary trust of which certain family members of Mr. Thomas Lau, Luen-hung were eligible beneficiaries.

附註 :

- a. 該 1,000,000,000 股股份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。
- b. 該 206,379,187 股股份由另一項以劉鑾鴻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。

**DIRECTORS' INTERESTS IN THE SECURITIES OF  
THE COMPANY AND ASSOCIATED CORPORATIONS  
(cont'd)**

**董事於本公司及相聯法團之  
證券權益 (續)**

**II. Associated Corporations of the Company  
本公司之相聯法團**

Name of Associated Corporation 相聯法團名稱	Name of Director 董事姓名	Number of shares 股份數目	Units of warrants 認股權證數目
1. Chi Cheung Investment Company, Limited ("Chi Cheung") 至祥置業有限公司 (「至祥」)	Mr. Joseph Lau, Luen-hung - Corporate interests 劉鑾雄先生 - 公司權益	2,159,475,904 (note a) (附註 a)	383,527,348 (note b) (附註 b)
2. The Kwong Sang Hong International Limited ("Kwong Sang Hong") (「廣生行」)	Mr. Joseph Lau, Luen-hung - Corporate interests 劉鑾雄先生 - 公司權益	513,746,047 (note a) (附註 a)	N/A 不適用

Notes :

- a. Mr. Joseph Lau, Luen-hung by virtue of his 59.18% interest in the share capital of the Company as disclosed in paragraph I above, was deemed to be interested in the shares of Kwong Sang Hong and securities of Chi Cheung.
- b. Holders of every unit of the warrants were entitled to subscribe for one fully-paid share of Chi Cheung at HK\$0.10 each during the period from 21st November, 2000 to 20th November, 2003.

附註 :

- a. 正如上文第 I 段所披露，劉鑾雄先生因擁有本公司股本中 59.18% 之權益，故被視為於廣生行股份及至祥證券中擁有權益。
- b. 每份認股權證之持有人有權可於二零零零年十一月二十一日至二零零三年十一月二十日止期間內按每股 0.10 港元認購 1 股至祥繳足股份。

Save as disclosed herein, none of the other Directors of the Company had or were deemed under the SDI Ordinance to have any interest in the securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as at 31st December, 2001 and none of the Directors 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 during the year.

除本文所披露者外，於二零零一年十二月三十一日，本公司其他董事依據披露權益條例概無擁有或被視為擁有本公司或其任何相聯法團(定義見披露權益條例)之證券之任何權益，並於本年度內，本公司董事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相聯法團之任何證券之權利。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 31st December, 2001, so far as are known to the Directors, the following parties (other than a Director of the Company) were recorded in the register kept by the Company under Section 16 of the SDI Ordinance as being directly or indirectly 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
Global King Ltd.	1,000,000,000 (note)(附註)
Credit Suisse Trust Limited as trustee 作為受託人	1,000,000,000 (note)(附註)

Note :

*Credit Suisse Trust Limited as trustee of a family trust was the holding company of Global King Ltd. and therefore was regarded as interested in the same parcel of Shares held by Global King Ltd.*

*These Shares were the same parcel of Shares referred to in "Other interests" of Mr. Joseph Lau, Luen-hung under "Directors' Interests in the Securities of the Company and Associated Corporations".*

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), during the year and as at 31st December, 2001, the following Directors of the Company declared their interests in the following companies with businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group:

## 主要股東於本公司之權益

據董事會所知，於二零零一年十二月三十一日，按本公司遵照披露權益條例第16條置存之登記冊內之記錄，除本公司之董事外，直接或間接持有本公司已發行股本面值10%或以上權益之人士如下：

附註：

作為一項家族信託受託人之 *Credit Suisse Trust Limited* 乃 *Global King Ltd.* 之控股公司，故被視為擁有 *Global King Ltd.* 所持有之同一批股份之權益。

上述股份為「董事於本公司及相聯法團之證券權益」下劉鑾雄先生之「其他權益」中所指之同一批股份。

## 董事於競爭性業務之權益

本年度內及於二零零一年十二月三十一日，根據聯交所證券上市規則（「上市規則」）第8.10條，下列本公司董事宣布於下列與本集團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：

**DIRECTORS' INTERESTS IN COMPETING  
BUSINESSES (cont'd)**

**董事於競爭性業務之權益 (續)**

Name of Directors 董事姓名	Name of companies 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 companies 董事於該等公司之 權益性質
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	*Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chi Cheung 董事及於至祥擁有若干被視為 擁有之權益
	Kwong Sang Hong and its subsidiaries 廣生行及其附屬公司	Property investment and development, securities investment and money lending 物業投資及發展、 證券投資及放債	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
Mr. Thomas Lau, Luen-hung 劉鑾鴻先生	*Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director 董事
	Kwong Sang Hong and its subsidiaries 廣生行及其附屬公司	Property investment and development, securities investment and money lending 物業投資及發展、 證券投資及放債	Director 董事

\* non wholly-owned listed subsidiary of the Company

\* 本公司之非全資上市附屬公司

Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung were brothers (collectively the "Lau Brothers") and also had personal interests in private companies engaged in businesses consisting of property development and investment in Hong Kong, securities investment and money lending. As such, they were regarded as being interested in such businesses which competed or might compete with the Group. However, when compared with the dominance and size of operations of the Group, such competing businesses were immaterial.

劉鑾雄先生及劉鑾鴻先生為兄弟（統稱「劉氏兄弟」），並於經營業務包括於香港從事物業發展及投資，證券投資及放債之私人公司中擁有個人權益。因此，彼等被視為於與本集團構成競爭或可能構成競爭之業務擁有權益。然而，上述競爭性業務與本集團之優勢及業務規模相比乃微不足道。



## DIRECTORS' INTERESTS IN COMPETING BUSINESSES (cont'd)

Other than the businesses of the private companies of the Lau Brothers, the above-mentioned businesses were managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of its independent non-executive directors (whose views carried significant weight in the Board's decisions) and the independent Audit Committee, the Group was capable of carrying on its businesses independently of, and at an arm's length from, the businesses of the above companies.

Other than as disclosed above, none of the Directors were interested in any business which competed or was likely to compete, either directly or indirectly, with the Company's business.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Apart from the agreements disclosed under the headings "Interests in Contracts and Connected Transactions" and "Management and Consultancy Agreement" below, 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 interests, nor there were 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.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from the warrants held as shown under "Directors' Interests in the Securities of the Company and Associated Corporations" above, there were no other arrangements to which the Company or any of the Company's subsidiaries was a party 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 during the year.

## 董事於競爭性業務之權益 (續)

除劉氏兄弟之私人公司之業務外，上述業務乃由獨立上市公司管理，該等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，本集團有能力獨立並按公平磋商原則從事其業務，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中擁有權益。

## 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「管理及顧問協議」所述之協議外，於本年底或本年度內任何時間本公司或本公司之任何附屬公司所訂立與本公司業務有關之重大合約中，董事概無直接或間接擁有重大權益；此外，本公司或本公司之任何附屬公司亦無與控權股東或其任何附屬公司訂立與本公司業務有關之重大合約。

## 購買股份或債券之安排

除上文「董事於本公司及相聯法團之證券權益」列載所持有之認股權證外，本公司或本公司任何附屬公司概無於本年度內作出其他安排，以使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

1. Evergo China was privatised by way of a scheme of arrangement and it became a wholly-owned subsidiary of the Company since 16th November, 2001, the effective date of the scheme. Accordingly, the following transactions with Evergo China and its subsidiaries (the "Evergo China Group") would no longer be subject to any disclosure requirements under the Listing Rules or the waiver dated 31st January, 1997 granted by the Stock Exchange since then :

- (i) Under the terms of the Spin-off Agreement dated 28th October, 1996 entered into between the Company and Evergo China (the "Spin-off Agreement"), the Group agreed to provide Evergo China Group with financial, managerial, administrative and accounting services as may be requested by the Evergo China Group from time to time and the Group would be reimbursed by the Evergo China Group in respect of such services at cost. For the period ended 16th November, 2001, no payment was made to the Group (year ended 31st December, 2000: Nil) as the Evergo China Group did not request such services from the Group.
- (ii) Pursuant to an indemnity deed dated 28th October, 1996 entered into between the Company and Evergo China, the Group, subject to certain exceptions, agreed to indemnify the Evergo China Group in respect of any diminution in the value of the Evergo China 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 16th November, 2001, the indemnity in respect of the PRC income tax and LAT amounted to HK\$8,704,000 (31st December, 2000: HK\$8,704,000) and HK\$23,144,000 (31st December, 2000: HK\$23,144,000) respectively.

## 合約權益及關連交易

1. 愛美高中國透過協議計劃之方式進行私有化，並自計劃生效日期二零零一年十一月十六日起成為本公司之全資附屬公司。因此，下列與愛美高中國及其附屬公司（「愛美高中國集團」）訂立之交易自此將毋須再受到上市規則或聯交所於一九九七年一月三十一日授出之豁免之任何披露規定所規限：

- (i) 根據本公司與愛美高中國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，本集團同意應愛美高中國集團不時之要求為愛美高中國集團提供財務、管理、行政及會計服務，而愛美高中國集團須按成本向本集團償付該等服務之費用。截至二零零一年十一月十六日止期間，由於愛美高中國集團並無要求本集團提供上述服務，故並無支付本集團任何款項（截至二零零零年十二月三十一日止年度：無）。
- (ii) 根據本公司與愛美高中國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，本集團同意就（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愛美高中國集團產生之減值及任何負債向愛美高中國集團作出賠償保證。於二零零一年十一月十六日，有關中國所得稅及土地增值稅之賠償分別為**8,704,000** 港元（二零零零年十二月三十一日：**8,704,000** 港元）及**23,144,000** 港元（二零零零年十二月三十一日：**23,144,000** 港元）。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

- (iii) The 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 was a non wholly-owned subsidiary of Evergo China, 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 occupied approximately 1,320 square feet 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 and a monthly management fee of HK\$6,956.40 from March 1999 to December 2000 and HK\$7,339.20 effective from January 2001. The sublease was renewed for a period of 2 years from 4th February, 2001 at a monthly rental of HK\$35,640 with rent free for 3 months in 2001 and a monthly management fee of HK\$7,339.20.
- (iv) The Group through CEL sub-leased to Evergo Holdings (China) Company Limited ("Evergo BVI"), a wholly-owned subsidiary of Evergo China, an office premises of approximately 1,619 square feet situate at Room 1006 on 10th Floor of MassMutual Tower as head office and principal place of business of the Evergo China Group (other than Asian Win and its subsidiaries) in Hong Kong by a sub-lease agreement dated 12th December, 2000 for a period of 2 years from 1st October, 2000 at a monthly rental of HK\$48,570 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) Evergo China executed a deed of guarantee dated 3rd July, 1997 (as supplemented and amended by three deeds of confirmation dated 15th October, 1998, 13th March, 2000 and 15th December, 2000) in favour of Bank of China (Hong Kong) Limited (successor to Hua Chiao Commercial Bank Limited) ("Bank of China") to guarantee the repayment by Asian Win of up to US\$1.8 million, which was in proportion to its shareholding in Asian Win, in respect of a bank loan granted to Asian Win of a principal amount of US\$3 million.

## 合約權益及關連交易 (續)

- (iii) 本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一項分租協議，分租香港灣仔告士打道38號美國萬通大廈2樓201室予愛美高中國之非全資附屬公司 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，作為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港元，而管理費由一九九九年三月至二零零零年十二月為每月6,956.40港元，而由二零零一年一月起則為7,339.20港元。該分租協議由二零零一年二月四日起續期兩年，月租為35,640港元，在二零零一年免租三個月，管理費為每月7,339.20港元。
- (iv) 本集團透過華置於二零零零年十二月十二日訂立一項分租協議，將佔地約1,619平方呎位於美國萬通大廈10樓1006室之寫字樓分租予愛美高中國之全資附屬公司 Evergo Holdings (China) Company Limited (「Evergo BVI」)，作為愛美高中國集團(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，租賃期由二零零零年十月一日起為期兩年，月租為48,570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) 愛美高中國於一九九七年七月三日向中國銀行(香港)有限公司(作為華僑商業銀行有限公司之繼任人)(「中國銀行」)發出一份擔保契據(經一九九八年十月十五日、二零零零年三月十三日及二零零零年十二月十五日之三份確認契據補充及修訂)；據此，愛美高中國已同意就批予盛亞本金總額為3,000,000美元之銀行貸款，擔保盛亞償還最多達1,800,000美元(即其於盛亞持股量之比例)。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

The aforesaid bank loan was reduced to a principal amount of US\$1 million and the final maturity date of the bank loan was further extended to 27th September, 2002 pursuant to the Fifth Deed of Variation and Supplement to Loan Agreement entered into between Asian Win and Bank of China. The amount of liability of Evergo China under the aforesaid guarantee was revised to US\$0.6 million pursuant to the Fourth Deed of Confirmation dated 29th December, 2001 executed by Evergo China in favour of Bank of China.

(vi) Under the Spin-off Agreement (in the case of the Company) 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 Evergo China dated 28th October, 1996, the Company, Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung (together, the "Covenantors") undertook to the Evergo China 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 Evergo China):

(a) The investment in each PRC property which was below HK\$50 million and was for own use and not for immediate resale.

(b) The project which was rejected by the independent non-executive directors of Evergo China, provided that the reasons of rejection were properly minuted and the principal terms of the investment were disclosed.

(c) The investment in shares of a listed company which competes with the Evergo China 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 **1,000,000** 美元，並根據盛亞與中國銀行訂立之第五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二零零二年九月二十七日。愛美高中國就上述保證之負債款額根據愛美高中國與中國銀行於二零零一年十二月二十九日訂立之第四份確認契據修訂為 **600,000** 美元。

(vi) 根據協議各方與愛美高中國於一九九六年十月二十八日訂立之分拆協議(就本公司而言)及不競爭協議(就劉鑾雄先生及劉鑾鴻先生而言)，本公司、劉鑾雄先生及劉鑾鴻先生(統稱「訂約人」)已向愛美高中國集團承諾，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，惟透過愛美高中國則除外：

(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) 遭愛美高中國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) 於一家與愛美高中國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。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

- (d) The joint venture project with the attributable total investment cost is greater than 15% of the consolidated net asset value of Evergo China as shown in its latest audited balance sheet.
- (vii) Under the Spin-off Agreement, Evergo China allotted, will allot and issue, credited as fully paid, shares to the Company 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 Evergo China Group as a capitalisation issue in respect of advances made by the 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 Evergo China Group as a capitalisation issue in respect of advances made by the Group in relation to the Deferred Projects provided the following conditions are fulfilled:
- (i) certain outstanding matters relating to Lot E, including payment of an overdue registered capital contribution of HK\$29.2 million (representing the Evergo China Group's attributable contribution thereto) in relation to the joint venture company which holds the Evergo China Group's attributable interest in Lot E, are resolved to the satisfaction of the independent non-executive directors of Evergo China; 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愛美高中國最近期之經審核資產負債表所示之愛美高中國綜合資產淨值 15%。
- (vii) 根據分拆協議，愛美高中國按以下條款已配發、將配發及發行入賬列作繳足股份予本公司或其代理人(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，愛美高中國集團已配發及發行**1,693,593**股股份(「初期股份」)，約佔股份總數**10%**，作為本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」)，約佔將由愛美高中國集團配發及發行之股份總數**90%**，作為本集團就遞延項目提供墊款撥作股本發行：
- (i) 若干關於 E 地段之未完成事項，包括向持有愛美高中國集團應佔 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(即愛美高中國集團應佔之出資額)，已獲愛美高中國獨立非執行董事認同而獲得解決；及

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

- (ii) 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 Evergo China Group's attributable contribution thereto) in relation to the joint venture company which holds the Evergo China Group's attributable interest in Zhong Shan Building, are resolved to the satisfaction of the independent non-executive directors of Evergo China.

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

- (c) if any of the conditions set out in (i) or (ii) 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 Evergo China, in which case:

- (i) with respect to Lot E, up to 10,594,055 Balance Shares will be allotted and issued to the Company 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 Group in relation to Lot E;

- (ii) with respect of Zhong Shan Building, up to 4,651,559 Balance Shares will be allotted and issued to the Company 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 Group in relation to Zhong Shan Building;

## 合約權益及關連交易 (續)

- (ii) 若干關於中山大廈之未完成事項，包括向持有愛美高中國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，即愛美高中國集團應佔之出資額)，已獲愛美高中國獨立非執行董事認同而獲得解決。

上文(i)及(ii)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(i)或(ii)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愛美高中國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：

- (i) 關於E地段，最多達**10,594,055**股其餘股份將配發及發行予本公司或其代理人 (**Oriental Master Ltd.**) 或其指定之人士，作為償付根據有關本集團就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；

- (ii) 關於中山大廈，最多達**4,651,559**股其餘股份將配發及發行予本公司或其代理人 (**Oriental Master Ltd.**) 或其指定之人士，作為償付根據有關本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；

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

- (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 Evergo China 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, the Company will within three months following the receipt of the said valuation report, pay to Evergo China in cash a sum representing the difference between the said valuation and the amount attributable to the Initial Shares;
- (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, the Company shall within three months following the receipt of the said valuation report have the option to require the Evergo China Group to assign and novate all rights to and obligations under the relevant Deferred Project to the Company subject to the payment of money as mentioned in sub-paragraph (e) above. In addition, the exercise of such option by the Company 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 Evergo China. Immediately after the exercise of such option, the Evergo China Group will have the first right of refusal to be appointed as the project manager of the relevant Deferred Project by the Company on normal commercial terms to be agreed.

## 合約權益及關連交易 (續)

- (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)愛美高中國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地段或中山大廈應估之初期股份數目，本公司將會於收訖上述估值報告之三個月內向愛美高中國以現金支付一筆相當於上述估值與初期股份應估金額之差額；
- (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，則本公司將於收訖上述估值報告之三個月內有權選擇要求愛美高中國集團將有關遞延項目之所有權利及責任轉讓及移交予本公司，惟須按上文(e)分段所述支付款項。此外，本公司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)經由愛美高中國獨立非執行董事批准。行使該選擇權後，愛美高中國集團即享有優先選擇權，可獲本公司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。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

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 Evergo China to put a value on the projects at that time given the outstanding conditions set out in (b)(i) and (ii) 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 Evergo China has reviewed the situation and resolved to defer the adjustment mechanism set out in (c) above for 24 months ("Deferral").

On 31st March, 1999, Evergo China 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 Evergo China 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 Evergo China to the Company upon completion of the disposal (the "Adoption of Third Party Independent Valuation"). Such proposal has been approved by the independent non-executive directors of Evergo China on 24th November, 1999.

A supplemental agreement dated 29th December, 1999 was entered into between the Company and Evergo China 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 Evergo China to Copper King Investment Limited, a wholly-owned subsidiary of the Company, on 10th January, 2000.

## 合約權益及關連交易 (續)

由於本公司或愛美高中國在上文(b)(i)及(ii)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。愛美高中國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」）。

於一九九九年三月三十一日，愛美高中國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，愛美高中國執行董事建議採納獨立估值作為決定調整愛美高中國於出售完成時向本公司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愛美高中國獨立非執行董事批准。

本公司與愛美高中國於一九九九年十二月二十九日訂立一項補充協議，據此，雙方同意遞延及採納第三者獨立估值。根據獨立估值，愛美高中國於二零零零年一月十日配發及發行**1,581,384**股股份予本公司之全資附屬公司**Copper King Investment Limited**。



## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

On 12th July, 2001 the early termination of the joint venture company formed for the development of Lot E was approved by Guangzhou Foreign Trade and Economic Committee. The company in which the Evergo China had a 33.33% interest is under liquidation.

- (viii) Grandhall Secretarial Services Limited, a wholly-owned subsidiary of the Company, provides general company secretarial services to each of the subsidiaries of (a) Evergo China and (b) Asian Win at a fee of HK\$3,500 per annum for each subsidiary. For the period ended 16th November, 2001, no payment was made to the Group for the above services (year ended 31st December, 2000 : HK\$490,000).

The above transactions have been reviewed and confirmed by the Independent Non-Executive Directors of the Company that the transactions were (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 were concerned or in accordance with the terms of respective agreements governing such transactions.

2. On 7th February, 2001, Paul Y. Holdings Company Limited, a wholly-owned subsidiary of the Company, conditionally agreed to acquire from Overseas Crown Limited ("Overseas Crown") and Nutmeg Point Ventures Inc. ("Nutmeg") the entire issued share capital of Gold Horse Limited ("Gold Horse") and all the outstanding amounts due from Gold Horse to Overseas Crown and Nutmeg. Gold Horse was indirectly holding portions of the Excelsior Plaza in Causeway Bay known as shop no. 31 on the first floor, portions of shop no. 32 on ground to second floors of Chee On Building, portions of shop no. 32 on respective second floor of Yee On Building and Annex Land Building and certain other portions ("Excelsior Property") with total saleable area of approximately 32,118 square feet.

## 合約權益及關連交易 (續)

於二零零一年七月十二日，廣州對外貿易及經濟委員會批准提早終止就發展E地段而成立之合營公司。愛美高中國擁有33.33%權益之該公司現已進行清盤。

- (viii) 本公司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(a)愛美高中國及(b)盛亞之各間附屬公司提供一般公司秘書服務。截至二零零一年十一月十六日止期間，並無就上述服務向本集團支付任何款項(截至二零零零年十二月三十一日止年度：490,000港元)。

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。

2. 於二零零一年二月七日，本公司之全資附屬公司Paul Y. Holdings Company Limited同意向僑冠有限公司(「僑冠」)及Nutmeg Point Ventures Inc.(「Nutmeg」)有條件購入Gold Horse Limited(「Gold Horse」)全部已發行股本及Gold Horse欠僑冠及Nutmeg之全部未償還款項。Gold Horse間接持有銅鑼灣怡東商場部分，包括置安大廈一樓31號舖、地下至二樓32號舖部分，分別位於怡安大廈及Annex Land Building二樓32號舖部分及若干其他部分(「怡東物業」)，總可出售面積約為32,118平方呎。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

The acquisition was approved by independent shareholders of the Company on 19th March, 2001 and was completed on 21st March, 2001. The aggregate consideration was approximately HK\$401 million, of which HK\$200 million was settled by the Convertible Bonds and the balance was settled in cash.

Gold Horse was 90% ultimately owned by a discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung were eligible beneficiaries and 10% ultimately owned by Mr. Thomas Lau, Luen-hung.

The Directors believed that the acquisition represented an opportunity to acquire significant property interests on favourable terms and the property had good potential for upward appreciation both in term of capital value and rental income. With consolidation of the further units acquired in 2000, the said acquisition of the property was expected to give rise to enhanced scope for realising value from the property and for an opportunity to rationalise operating costs in managing the overall Excelsior Plaza investment.

3. Viewide Properties Limited ("Viewide"), a wholly-owned subsidiary of the Company since completion of acquisition of Gold Horse on 21st March, 2001, was the landlord under two leases dated 14th August, 1996 and 10th November, 1997 respectively (the "Leases") with Public Might Limited ("Public Might") as tenant in respect of the Excelsior Property expiring on 31st October, 2005 with a monthly guaranteed minimum gross revenue of approximately HK\$3.3 million.

Since 9th May, 2001, Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung, Directors of the Company, had indirect shareholding interest in Public Might which belonged to a group of companies running the retail business in the Excelsior Property under the trade name of "New Face by Sogo".

## 合約權益及關連交易 (續)

該收購事項於二零零一年三月十九日獲本公司之獨立股東批准，並於二零零一年三月二十一日完成。應付之總代價約為**401,000,000** 港元，其中 **200,000,000** 港元以可換股債券支付，餘額則以現金支付。

**Gold Horse**之**90%**權益由以劉鑾雄先生若干家族成員為合資格受益人的全權信託最終擁有，而**10%**權益則由劉鑾鴻先生最終擁有。

董事會相信是項收購為本公司提供機會，以理想的條款收購重大物業權益，且該物業在資本值及租金收入兩方面均具有良好之上升潛力。預期在二零零零年購入單位之基礎上再增持單位，上述物業收購事項除會提高整體物業價值外，更可提供機會藉着管理整體怡東商場之投資而更合理控制營運成本。

3. 自二零零一年三月二十一日完成收購 **Gold Horse** 後成為本公司全資附屬公司之 **Viewide Properties Limited** (「**Viewide**」)，以業主身份與租戶 **Public Might Limited** (「**Public Might**」) 就怡東物業訂立兩份日期為一九九六年八月十四日及一九九七年十一月十日之租約 (「該等租約」)，該等租約於二零零五年十月三十一日屆滿，每月最低保證收入總額約為 **3,300,000** 港元。

自二零零一年五月九日起，本公司董事劉鑾雄先生及劉鑾鴻先生於 **Public Might** 擁有間接股權。**Public Might** 屬於與以「**New Face by Sogo**」之商標在怡東物業經營零售業務之集團公司。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

The Independent Non-Executive Directors of the Company have reviewed and confirmed that the terms of the Leases are (a) entered into in the ordinary and usual course of business of the Company; (b) entered into on normal commercial terms; (c) fair and reasonable so far as the Shareholders of the Company are concerned; and (d) the aggregate annual rental payable by Public Might to Viewide under the Leases shall not exceed 3 per cent. of the audited consolidated net tangible assets of the Group for the year ended 31st December, 2001.

- On 20th September, 2001, Regal Leader Limited, a wholly-owned subsidiary of the Company, conditionally agreed to acquire from Profit Lane Limited ("Profit Lane") the entire issued share capital of and all the outstanding amounts due to Profit Lane in Gold Stable Ltd. ("Gold Stable") and Success Rich Ltd. ("Success Rich") at an aggregate consideration of approximately HK\$109 million. Gold Stable and Success Rich were indirectly holding Shop G, Ground Floor and Cockloft, first to third floors, Flats A and B on fourth floor of Golden Hall Building, Yuen Long, New Territories with gross floor area of 1,777 square metres plus saleable area of 183 square metres.

Profit Lane was ultimately wholly-owned by Mr. Joseph Lau, Luen-hung, a Director of the Company.

The Directors believed that the said acquisition would provide an opportunity to widen and enhance the Group's investment portfolio in retailing properties in various places in Hong Kong. The Directors considered that the property was situated in the prime location in the New Territories for retailing activities and had a good potential for upward appreciation both in term of value and rental income, and the said acquisition provided a good chance for the Group to expand its retailing properties in the New Territories.

## 合約權益及關連交易 (續)

本公司之獨立非執行董事已審閱及確認該等租約之條款(a)乃於本公司一般及日常業務中訂立；(b)乃按一般商業條款訂立；(c)對本公司股東而言屬公平合理；及(d) **Public Might** 根據該等租約應付 **Viewide** 之全年租金總額不得超過本集團截至二零零一年十二月三十一日止年度之經審核綜合有形資產淨值 3%。

- 於二零零一年九月二十日，本公司之全資附屬公司 **Regal Leader Limited** 同意有條件向 **Profit Lane Limited** (「**Profit Lane**」) 購入 **Gold Stable Ltd.** (「**Gold Stable**」) 及 **Success Rich Ltd.** (「**Success Rich**」) 之全部已發行股本及該等公司欠 **Profit Lane** 之所有未償還款項，總代價約為 **109,000,000** 港元。**Gold Stable** 及 **Success Rich** 間接持有新界元朗金豪大廈地下 **G** 號商舖及閣樓、1樓至3樓、4樓A室及B室，總樓面積為 **1,777** 平方米，另加實用面積為 **183** 平方米。

**Profit Lane** 由本公司董事劉鑾雄先生最終全資擁有。

董事會相信，上述收購事項可擴闊及提升本集團於香港各地之零售物業投資組合。董事會認為，該物業於新界之位置優越，為發展零售業務之理想地點，加上該物業之價值及租金收入均有不俗之升值潛力，因此上述收購事項實為本集團於新界區擴展其零售物業之良機。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

5. On 3rd January, 2002, three wholly-owned subsidiaries of the Company, namely Asia Gold International Inc., Success Guide Inc. and Delight Properties Limited (collectively the "Three Subsidiaries"), Asian Win, Beiyon Company Inc. ("Beiyon"), Evergo BVI and Ringo Trading Limited ("Ringo") entered into an agreement in relation to the restructuring of assets held by Asian Win (the "Asset Restructuring Agreement").

Pursuant to the Asset Restructuring Agreement, the Three Subsidiaries conditionally agreed to acquire:

- (i) the interest in the debt of HK\$124,819,358.90 owed by Tianjin Winson Real Estate Development Co., Ltd. ("Tianjin Winson"), 50% and 25% shareholding of which was held by Jade Mountain Limited ("Jade Mountain") and a subsidiary of Ringo respectively, to Asian Win as at 1st December, 2001 which was unsecured, non interest-bearing and repayable on demand; and
- (ii) the entire issued share capital of and the related shareholder's loans in three wholly-owned subsidiaries of Asian Win, namely Super Sight Investments Inc. ("Super Sight"), Jade Mountain and Keep Fine Investment Limited ("Keep Fine") (collectively the "Three Asian Win Subsidiaries") with the following principal business:
  - (a) Super Sight was holding the development of Asian Villas, Haikou which was planned to be developed as a small commercial/residential area with total gross floor area of approximately 4.1 million square feet;

## 合約權益及關連交易 (續)

5. 於二零零二年一月三日，本公司之三間全資附屬公司 **Asia Gold International Inc.**、**Success Guide Inc.**及**Delight Properties Limited** (統稱「該三間附屬公司」)、盛亞、**Beiyon Company Inc.**(「Beiyon」)、**Evergo BVI** 與嶸高貿易有限公司(「嶸高」)就重組盛亞持有之資產訂立一項協議(「資產重組協議」)。

根據資產重組協議，該三間附屬公司有條件同意購入：

- (i) 天津華盛房地產發展有限公司(「天津華盛」)(其**50%**及**25%**股權分別由**Jade Mountain Limited**(「**Jade Mountain**」)及嶸高之附屬公司持有)欠盛亞之債項權益。有關債項於二零零一年十二月一日為數**124,819,358.90**港元，為無抵押、免息及按要求償還；及
- (ii) 盛亞三間全資附屬公司**Super Sight Investments Inc.**(「**Super Sight**」)、**Jade Mountain**及協發投資有限公司(「協發」)(統稱「該三間盛亞附屬公司」)之全部已發行股本及有關股東貸款。該三間盛亞附屬公司之主要業務如下：
  - (a) **Super Sight**發展位於海口市之亞州豪苑。該項目計劃發展成為一個商住小區，總樓面面積約為**4,100,000**平方呎；

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

- (b) Jade Mountain was holding through Tianjin Winson the development of Winson Plaza, Tianjin situated at the junction of Weidi Road and Sihao Road in Tianjin, PRC. Winson Plaza comprised a 26-storey residential tower and a 29-storey office tower with total gross floor area of approximately 600,000 square feet, over 90% of which were leased and sold as of November 2001; and
- (c) Keep Fine was a lessee for the office premises of Asian Win and its subsidiaries (the "Asian Win Group") in Hong Kong with no material assets or liabilities.

Pursuant to the Asset Restructuring Agreement, the Three Subsidiaries also conditionally agreed to dispose to Beiyon their aggregate 60% shareholdings in Asian Win. The principal assets of Asian Win, other than its shareholdings in the Three Asian Win Subsidiaries, comprised 100% shareholdings in various subsidiaries which held the following PRC real property projects :

- (i) Hua Bao Garden was located in Minxing District, Shanghai, PRC and was divided into the Eastern District and the Western District. The Eastern District comprised 13 blocks of low rise residential buildings whilst the Western District would comprise 536 villas and ancillary facilities with total gross floor area of approximately 905,000 square feet upon completion. The total investment in this project was fully written off in the books of Asian Win Group in 1999 and a dispute relating to approximately RMB81 million due to the Asian Win Group by Shanghai Huabao Real Estate Development Company and an independent third party (the "Hua Bao Garden Dispute") was in progress; and
- (ii) Asian Villas was located by the side of Wuxi Road, Fuzhou, PRC. It would comprise two 21-storey and two 23-storey residential blocks above a 2-level shopping podium with total gross floor area of approximately 790,000 square feet upon completion.

## 合約權益及關連交易 (續)

- (b) **Jade Mountain**透過天津華盛發展天津市華盛廣場。華盛廣場位於中國天津市圍堤道及四號路之交界，包括一幢樓高 26 層之住宅大廈及一幢樓高 29 層之辦公大樓，總樓面面積約達 600,000 平方呎。於二零零一年十一月，其逾九成之面積已租出或售出；及
- (c) 協發為盛亞及其附屬公司（「盛亞集團」）於香港之辦公室單位租戶，並無重大資產或負債。

根據資產重組協議，該三間附屬公司亦有條件同意向Beiyon出售其於盛亞合共持有之60%股權。盛亞之主要資產除該三間盛亞附屬公司之股權外，還有於多間附屬公司之100%股權。該等附屬公司持有下列中國房地產項目：

- (i) 華寶花園位於中國上海閔行區，並劃分為東區及西區。東區為 13 座低層住宅樓宇，而西區將為 536 座洋房及配套設施，於落成後之總樓面面積約為 905,000 平方呎。於該項目之總投資額已在一九九九年於盛亞集團之賬簿內完全撇銷，而有關上海華寶房地產發展公司及一名獨立第三者欠盛亞集團約人民幣 81,000,000 元之爭議（「華寶花園爭議」）現正進行中；及
- (ii) 盛亞豪苑位於中國福州市五四路旁。落成後，該項目將發展為兩座樓高 21 層及兩座樓高 23 層之住宅大廈，地面兩層為商場，總樓面面積約為 790,000 平方呎。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Pursuant to the Asset Restructuring Agreement, it was also agreed that all liabilities and litigation relating to various PRC real property projects held by Jade Mountain and Super Sight, including claims of approximately RMB12.65 million against Tianjin Winson, would be dealt with by the Three Subsidiaries, whilst all liabilities, litigation and other unsettled issues regarding capital contribution and land transfers relating to various PRC property projects held by Asian Win Group (other than the Three Asian Win Subsidiaries), including the Hua Bao Garden Dispute, would be dealt with by Beiyon.

The consideration payable by the Three Subsidiaries in the acquisition of the Three Asian Win Subsidiaries would be set-off against the consideration payable by Beiyon in its acquisition of shareholdings in Asian Win. It resulted in a net consideration payable by Beiyon to the Three Subsidiaries in the sum of HK\$25,286,700 which would be repaid in one lump sum within 6 months of the date of the Asset Restructuring Agreement. Such considerations have been agreed after arm's length negotiation based on normal commercial terms and the Directors considered the terms of the Asset Restructuring Agreement were fair and reasonable.

Before completion of the Asset Restructuring Agreement, Asian Win was a non wholly-owned subsidiary of and 60% owned by the Group, and Beiyon, a wholly-owned subsidiary of Ringo, was a substantial shareholder of Asian Win.

Asian Win was a joint venture between the Company and Ringo. After nine years of co-operation, it was considered that the asset restructuring under the Asset Restructuring Agreement would enable each of the Company and Ringo to engage in such real property projects currently held by Asian Win so as to enable it to focus on its own business direction and objectives. Such reorganisation of assets would enable the Three Subsidiaries to streamline its property development portfolio. The Directors considered that such reorganisation of the assets of Asian Win was in the interest of the Company.

## 合約權益及關連交易 (續)

根據資產重組協議，訂約各方亦同意Jade Mountain及Super Sight所持有之各項中國房地產物業項目有關之全部債項及訴訟(包括向天津華盛作出約人民幣12,650,000元之索償)將由該三間附屬公司處理，而盛亞集團(該三間盛亞附屬公司除外)所持有之各項中國房地產項目有關之資本出資及土地轉讓之所有債務、訴訟及其他未解決事宜(包括華寶花園爭議)將由Beiyon處理。

該三間附屬公司就購入該三間盛亞附屬公司應付之代價，將與Beiyon就購入盛亞股權而應付之代價抵銷，因此Beiyon應付予該三間附屬公司之代價淨額為25,286,700港元，並將於資產重組協議日期起計六個月內一次過支付。有關代價乃經公平磋商按正常商業條款議定，而董事會認為資產重組協議之條款屬公平合理。

於資產重組協議完成前，盛亞為本集團持有60%權益之非全資附屬公司，而嶸高之全資附屬公司Beiyon則為盛亞之主要股東。

盛亞為本公司與嶸高之合營公司。經過九年來之合作，本公司及嶸高認為根據資產重組協議重組資產將有助各自參與盛亞目前持有之該等房地產項目，專注於其本身之業務方向與目標。重組資產將可讓該三間附屬公司精簡其物業開發投資組合。董事會認為，重組盛亞之資產乃符合本公司之利益。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

6. Billion Up Limited, a wholly-owned subsidiary of the Company, entered into an agreement dated 20th November, 2000 with Chi Cheung, a non wholly-owned listed subsidiary, in which HK\$12,226,196.80 was designated as a shareholder's loan to Chi Cheung. This loan formed part of the consideration for Chi Cheung to acquire the shareholder's loans of two property holding companies from the Group pursuant to the restructuring agreement with the Group on 11th April, 2000. The loan was unsecured, interest free, due and payable on 20th May, 2002.
7. For the year ended 31st December, 2001, the Group provided financial assistance to Dollar Union Limited ("Dollar Union") which was owned as to 75% by the Group and 25% by the group of Kwong Sang Hong, an associate of the Company:
- (i) Aggregate advances made by the Group to Dollar Union amounted to HK\$1,112 million (2000: HK\$1,049 million). The advances were unsecured, interest free and had no fixed repayment date.
- (ii) The Company issued a several guarantee dated 29th April, 1998 in favour of Land Development Corporation (the Urban Renewal Authority ("URA") as its successor) and Opalman Limited in respect of 75% of performance and fulfilment of obligations of Dollar Union under the development agreement dated 8th March, 1996.

Dollar Union was formed to develop a site of approximately 72,987 square feet bounded by Queen's Road East, Ruttonjee Hospital, Cross Street and Tai Yuen Street in Wanchai, Hong Kong ("Tai Yuen Street Project") with URA.

Development cost of Dollar Union was funded by advances from all its shareholders in proportion to their respective equity interests in Dollar Union and on a several basis. As at 11th April, 2002, the aggregate advances made by the Group to Dollar Union amounted to approximately HK\$1,112 million.

## 合約權益及關連交易 (續)

6. 本公司之全資附屬公司Billion Up Limited與非全資上市附屬公司至祥於二零零零年十一月二十日訂立一項協議，據此，**12,226,196.80** 港元被定作借予至祥之股東貸款。該項貸款乃作為至祥根據與本集團於二零零零年四月十一日訂立之重組協議，向本集團購入兩間物業持有公司之股東貸款代價之一部分。該項貸款為無抵押、免息及於二零零二年五月二十日到期償還。
7. 於截至二零零一年十二月三十一日止年度，本集團向分別由本集團及本公司聯營公司廣生行集團擁有**75%**及**25%**權益之金怡彩有限公司（「金怡彩」）提供財務援助：
- (i) 本集團向金怡彩提供之墊款總額為**1,112,000,000** 港元（二零零零年：**1,049,000,000**港元）。該等墊款為無抵押、免息及無固定還款期。
- (ii) 本公司就金怡彩須根據其於一九九六年三月八日訂立之發展協議履行及達成之**75%**責任，向土地發展公司（市區重建局（「市建局」）為其繼任人）及**Opalman Limited** 作出一項日期為一九九八年四月二十九日之各別擔保。

金怡彩之成立，乃為與市建局共同發展位於香港灣仔皇后大道東、律敦治醫院、交加街及太原街所圍繞面積約**72,987** 平方呎之地盤（「太原街項目」）。

金怡彩之發展成本乃由其全體股東按彼等各自在金怡彩之股本權益比例提供墊款撥付。於二零零二年四月十一日，本集團向金怡彩提供之墊款總額約為**1,112,000,000** 港元。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Total development cost of the Tai Yuen Street Project was estimated to be HK\$2.8 billion, of which HK\$1,400 million has been paid up to date. Estimated future development cost was HK\$1,400 million and the Group's share thereof was HK\$1,050 million. Future development cost would be incurred from time to time according to the progress of the Tai Yuen Street Project from now to year 2008 and would be funded by further advances from the respective shareholders of Dollar Union and/or bank borrowings.

8. During the year ended 31st December, 2001, the Group provided financial assistance to Modern City Investment Limited ("Modern City") which was owned as to 75% by the Group and 25% by an independent third party:

(i) Aggregate advances made by the Group to Modern City amounted to HK\$56 million (2000: HK\$56 million). The advances were unsecured, interest free and had no fixed repayment date.

(ii) The Company issued a guarantee dated 30th November, 2001 in favour of Standard Chartered Bank in respect of 75% of liabilities and obligations of Modern City under a loan facility of up to HK\$60 million granted to Modern City.

Modern City was holding "Chic Castle" of President Commercial Centre, Mong Kok, Kowloon with a total gross floor area of 19,797 square feet and a roof area of 2,527 square feet yielding a total rental income of about HK\$8.5 million (2000: HK\$9.7 million) for the year ended 31st December, 2001. As at 11th April, 2002, the aggregate advances made by the Group to Modern City amounted to HK\$56 million.

9. For the year ended 31st December, 2001, the Group advanced an amount of HK\$109 million (2000 : HK\$108 million) to Conduit Road Development Limited ("CR Development") which was owned as to 70% by the Group. The advances were unsecured, interest free and had no fixed repayment date.

## 合約權益及關連交易 (續)

太原街項目之發展成本總額估計將為**2,800,000,000**港元。截至目前為止，經已繳付其中**1,400,000,000**港元，故未來之發展成本估計將為**1,400,000,000**港元，而本集團則承擔其中之**1,050,000,000**港元。未來之發展成本將會按照太原街項目之進度，於即時起至二零零八年止期間不時支付，而有關款項將會以金怡彩各股東進一步提供之墊款及/或銀行借貸撥款支付。

8. 於截至二零零一年十二月三十一日止年度，本集團為新城鎮投資有限公司（「新城鎮」）（其**75%**及**25%**權益分別由本集團及一名獨立第三者擁有）提供財政援助：

(i) 本集團向新城鎮提供共達**56,000,000**港元（二零零零年：**56,000,000**港元）之墊款。該等墊款為無抵押、免息及無固定還款期。

(ii) 本公司就給予新城鎮最高達**60,000,000**港元貸款融資之**75%**負債及責任向渣打銀行作出一項日期為二零零一年十一月三十日之擔保。

新城鎮持有位於九龍旺角總統商業大廈之「**C h i c**之堡」，總樓面面積為**19,797**平方呎，天台面積為**2,527**平方呎，於截至二零零一年十二月三十一日止年度提供租金收入總額約為**8,500,000**港元（二零零零年：**9,700,000**港元）。於二零零二年四月十一日，本集團向新城鎮提供之墊款總額達**56,000,000**港元。

9. 於截至二零零一年十二月三十一日止年度，本集團向目前擁有**70%**權益之干德道發展有限公司（「干德道發展」）提供**109,000,000**港元（二零零零年：**108,000,000**港元）之墊款。該等墊款為無抵押、免息及無固定還款期。



## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

CR Development was holding a residential development at 55 Conduit Road, Hong Kong. Development cost of CR Development was funded by advances from both of its shareholders in proportion to their equity interests in CR Development. As at 11th April, 2002, the aggregate advances made by the Group to CR Development amounted to HK\$110 million.

10. The Company executed on 11th July, 2000 a several guarantee of up to an amount of HK\$250.4 million in favour of Hang Seng Finance Limited as agent of syndicated bankers in respect of 10% obligations of Grace Sign Limited ("Grace Sign") under a syndicated loan facility of HK\$2,504 million to Grace Sign for a development project of site area of 387,569 square feet with a total development potential of 904,176 square feet gross floor area comprising 8 blocks of luxurious residential units in King's Park, Kowloon ("King's Park Project").

Grace Sign, which was indirectly owned as to 10% by the Company and was indirectly owned as to 30% by New World Development Company Limited ("New World"), was a joint venture company formed in order to undertake the King's Park Project. The amount of the guarantee was limited to the Group 10% equity interest in Grace Sign. The terms of the loan facility were under normal commercial terms and were agreed on an arm's length basis and were within the normal course of business.

By virtue of 70% interests of the Company and 30% interests of New World in an unrelated property development in Hong Kong, New World was a connected person of the Company.

11. During the year ended 31st December, 2001, the Group provided an advance of approximately HK\$97 million as shareholder's loan to Cyber Mind Limited ("Cyber Mind") which was owned as to 75% by the Group. The advance was unsecured, interest free and had no fixed repayment date. Cyber Mind was formed to bid for a gambling licence in Macau. As the tender was unsuccessful, the said advance had been fully repaid by Cyber Mind.

## 合約權益及關連交易 (續)

干德道發展持有位於香港干德道 55 號之住宅發展項目。干德道發展之發展成本乃由其股東按彼等所持干德道發展股本權益之比例提供之墊款撥付。於二零零二年四月十一日，本集團向干德道發展提供之墊款總額達 **110,000,000** 港元。

10. 本公司於二零零零年七月十一日向銀團之代理人恆生財務有限公司提供最高達 **250,400,000** 港元之各別擔保。該項擔保乃就借予佳誌有限公司 (「佳誌」) 作為位於九龍京士柏地盤面積達 **387,569** 平方呎及可供發展樓面總面積達 **904,176** 平方呎之 **8** 幢豪華住宅單位 (「京士柏項目」) 之 **2,504,000,000** 港元銀團貸款融資項目下佳誌之 **10%** 責任而作出。

佳誌分別由本公司及新世界發展有限公司 (「新世界」) 間接擁有 **10%** 及 **30%** 權益，是就京士柏項目成立之合營公司。擔保金額限於本集團佔佳誌之 **10%** 股權。貸款融資之條款按一般商業條款及公平原則磋商協定，屬一般業務範圍之內。

由於本公司與新世界分別於香港一項無關連之物業發展項目中擁有 **70%** 及 **30%** 權益，新世界為本公司之關連人士。

11. 於截至二零零一年十二月三十一日止年度內，本集團向擁有 **75%** 權益之數碼創意有限公司 (「數碼創意」) 提供約 **97,000,000** 港元之墊款作為股東貸款。該等墊款為無抵押、免息及無固定還款期。數碼創意乃就競逐澳門賭權而成立。由於競逐失敗，數碼創意已悉數償還上述墊款。

## INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

12. Groupluck Company Limited ("Groupluck"), a wholly-owned subsidiary of the Company involved in the money lending business in Hong Kong, agreed to make available a revolving loan facility of HK\$50 million (the "Loan") to Get Nice Investment Limited ("Get Nice") at interest rate of 3% above prime rate with maturity date of 31st December, 2002 pursuant to a loan agreement dated 8th March, 2002 (the "Loan Agreement"). The Loan was secured by the personal guarantee of Mr. Hung, Hon-man. As at 11th April, 2002, the Loan has not been drawdown.

Mr. Hung, Hon-man, a director and substantial shareholder of Cyber Mind, a non wholly-owned subsidiary of the Company, was also a director and controlling shareholder of Get Nice and was deemed to be a connected person of the Company. The Directors considered that the terms under the Loan Agreement were (i) on normal commercial terms and in the ordinary and usual course of business of the Group; (ii) in the best interest of the Group; and (iii) fair and reasonable so far as the Shareholders of the Company was concerned.

## SERVICE CONTRACTS OF DIRECTORS

None of the Directors had 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).

## MANAGEMENT AND CONSULTANCY AGREEMENT

During the year, there existed a consultancy agreement with Goldking Ltd., a company controlled by Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung.

## 合約權益及關連交易 (續)

12. 本公司之全資附屬公司 **Groupluck Company Limited** (「Groupluck」) 於香港從事放債業務。該公司同意根據日期為二零零二年三月八日之貸款協議 (「貸款協議」)，向結好投資有限公司 (「結好」) 提供 **50,000,000** 港元之貸款融資 (「貸款」)，利率為最優惠利率加 **3** 厘，到期日為二零零二年十二月三十一日。貸款以洪漢文先生之個人擔保作抵押。於二零零二年四月十一日，貸款尚未動用。

本公司之非全資附屬公司數碼創意之董事兼主要股東洪漢文先生亦為結好之董事兼控權股東，亦被視為本公司之關連人士。董事認為貸款協議之條款(i)乃按一般商業條款於本集團一般及日常業務中進行；(ii)符合本集團之最佳利益；及(iii)對本公司股東而言屬公平合理。

## 董事服務合約

本公司或其任何附屬公司並無與董事簽訂任何一年內若由僱用公司終止合約時須作出賠償 (法定賠償除外) 之服務合約。

## 管理及顧問協議

本集團於本年度內與 **Goldking Ltd.** 訂立一份顧問協議，該公司乃由劉鑾雄先生及劉鑾鴻先生控制。

## GROUP BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and overdrafts repayable within one year or on demand are shown in the balance sheet. Details of long-term secured and unsecured bank loans are shown in note 29 to the financial statements.

No interest capitalised during the year by the Group (2000: Nil).

## PENSION SCHEME

The Group operated two pension schemes :

1. the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong (the "Scheme"); and
2. the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme").

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

The Scheme was available to the Group's full-time permanent staff employed in Hong Kong on or before 1st August, 2000. Contributions to the Scheme were 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 were 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 were 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 allowed any forfeited contributions (made by the Group for any staff member who subsequently left 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.

## 集團借貸及撥充資本之利息

須於一年內或按通知償還之銀行貸款及透支之詳情載於資產負債表。有抵押及無抵押長期銀行貸款之詳情分別載於財務報表附註 29。

本集團於本年度內並無利息撥充資本（二零零零年：無）。

## 退休金計劃

本集團推行兩項退休金計劃：

1. 香港法例第426章職業退休計劃條例所界定之公積金計劃（「公積金計劃」）；及
2. 香港法例第485章強制性公積金計劃條例所界定之公積金計劃（「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。

## PENSION SCHEME (cont'd)

The MPF Scheme was 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 were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose was HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits were required by law to be preserved until the retirement age of 65.

In order to provide similar benefits to those who joined the MPF Scheme and the Scheme, the Group provided an additional portion (the "Top-up Portion") for those who joined the MPF Scheme. The purpose of the Top-up Portion was to match up the benefits of the MPF Scheme with that of the Scheme by providing those staff under the MPF Scheme with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Portion were 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, 2001 amounted to HK\$3,542,000 (2000 : HK\$2,894,000). In addition, an amount of forfeited employer's contributions for the Scheme amounted to HK\$1,455,000 (2000 : HK\$1,403,000) was utilised towards reducing the Group's contributions during the year.

## MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31st December, 2001, the aggregate purchases attributable to the Group's largest supplier and the top five largest suppliers contributed approximately 35.5% and 61.9% respectively to the total purchases of the Group (2000 : 46.3% and 68.7% respectively).

The Directors believed that the five largest customers of the Group amounted for less than 30% of the total turnover of the Group in the year.

## 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分（「補足部分」）。補足部分之目的向基本月薪逾 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分之供款。

本集團於截至二零零一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 3,542,000 港元（二零零零年：2,894,000 港元）。此外，就公積金計劃之已沒收僱主供款 1,455,000 港元（二零零零年：1,403,000 港元）已於本年度內用作削減本集團之供款。

## 主要供應商及客戶

截至二零零一年十二月三十一日止年度，本集團最大供應商及五大供應商應佔之購貨總額分別佔本集團之購貨總額約 35.5% 及 61.9%（二零零零年：分別為 46.3% 及 68.7%）。

董事會相信本集團之五大客戶在本年度所佔本集團之營業總額少於 30%。

## MAJOR SUPPLIERS AND CUSTOMERS (cont'd)

Directors of the Company had interests in two of the top five largest suppliers and one of the five largest customers of the Group. One of the largest suppliers was the vendor of Gold Horse, namely Overseas Crown and Nutmeg which were ultimately owned by an associate of Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung respectively. The other largest supplier was Profit Lane which was wholly and ultimately owned by Mr. Joseph Lau, Luen-hung. One of the largest customer was Public Might in which Mr. Thomas Lau, Luen-hung and Mr. Joseph Lau, Luen-hung had indirect controlling shareholding interest. Details of these transactions are disclosed in "Interests in Contracts and Connected Transactions" above.

Save as disclosed, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the share capital of any of the five largest suppliers or customers.

## POST BALANCE SHEET EVENTS

Details of significant post balance sheet events of the Group are set out in note 43 to the financial statements.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 117.

## CODE OF BEST PRACTICE

Except that the Independent Non-Executive Directors were not appointed for any specific terms as they would be subject to retirement by rotation in accordance with Bye-law 111 of the Bye-laws of the Company, the Company complied throughout the year ended 31st December, 2001 with the Code of Best Practice as set out in Appendix 14 to the Listing Rules.

## 主要供應商及客戶 (續)

本公司董事於本集團其中兩個五大供應商及其中一個五大客戶中擁有權益。其中一個最大供應商為 **Gold Horse** 之供應商僑冠及 **Nutmeg**，分別由劉鑾雄先生之聯繫人士及劉鑾鴻先生最終擁用。另一個最大供應商為劉鑾雄先生最終全資擁有之 **Profit Lane**。其中一個最大客戶為劉鑾鴻先生及劉鑾雄先生擁有間接控股股權之 **Public Might**。該等交易之詳情乃於上文「合約權益及關連交易」一節中披露。

除所披露者外，概無董事、其聯繫人士或任何據董事會所知擁有本公司已發行股本 5% 以上之股東擁有任何五大供應商或客戶之股本權益。

## 結算日後事項

本集團之結算日後事項之詳情載於財務報表附註 43。

## 財務概要

本集團於過去五年之業績、資產及負債概要載於第 117 頁。

## 最佳應用守則

除獨立非執行董事因根據本公司之公司細則第 111 條須輪值告退而並無獲委任任何特定年期外，本公司於截至二零零一年十二月三十一日止年度一直遵守上市規則附錄十四所載之最佳應用守則。

## AUDITORS

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

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

Hong Kong, 11th April, 2002

## 核數師

本年度之財務報表由德勤•關黃陳方會計師行審核。該核數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，二零零二年四月十一日