

DIRECTORS' REPORT

董事會報告

The directors present their annual report and the audited financial statements for the year ended 31st August, 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries and jointly controlled entities are set out in notes 14 and 15 to the financial statements, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31st August, 2002 are set out in the consolidated income statement on page 36 and in the accompanying notes to the financial statements.

The directors recommend the payment of a final dividend of HK11.0 cents per share payable to shareholders whose names appear on the register of members on 23rd January, 2003 which, together with the interim dividend of HK6.0 cents per share paid during the year, makes a total dividend for the year of HK17.0 cents per share.

INVESTMENT PROPERTIES

The Group's investment properties were revalued at 31st August, 2002 and the resulting deficit of approximately HK\$5,997,000 has been charged to the consolidated income statement.

Details of this and other movements in the investment properties of the Group during the year are set out in note 11 to the financial statements. Particulars of the Group's investment properties are set out on page 92.

董事提呈截至二零零二年八月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃一間投資控股公司。其主要附屬公司及共同控制機構之主要業務分別載列於財務報表附註14及15內。

業績及備撥

截至二零零二年八月三十一日止年度之本集團業績及本公司備撥詳情載列於第36頁之綜合收益賬及其有關之財務報表附註內。

董事建議派發末期股息每股11.0港仙予在二零零三年一月二十三日名列在股東名冊內之股東。連同在本年度已派發的中期股息每股6.0港仙，全年股息共為每股17.0港仙。

投資物業

本集團之投資物業在二零零二年八月三十一日已重估，約5,997,000港元之重估虧損已在綜合收益賬內扣除。

本年度本集團之投資物業連上述及其他變動詳情載列於財務報表附註11內。本集團之投資物業詳情載列於第92頁。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred expenditure of approximately HK\$176,330,000 and HK\$71,346,000 on additions to plant and machinery and construction in progress, respectively, to expand and upgrade the Group's manufacturing facilities. During the year, the directors reviewed the carrying value of certain land and buildings of the Group which resulted in the identification of impairment losses of approximately HK\$102,079,000, out of which an amount of approximately HK\$87,628,000 has been charged to the asset revaluation reserve and the remaining balance of approximately HK\$14,451,000 has been charged to the consolidated income statement.

Details of these and other movements in the property, plant and equipment of the Group and of the Company during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 22 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in note 24 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

Mr. Ha Chung Fong (*Chairman*)
Mr. Lau Hong Yon
Mr. Pow Man Kue
Ms. Liou Wen Hwa, Cecilia (resigned on 2nd January, 2002)

物業、機器及設備

本年度本集團為擴大及增強本集團生產設備而用於增加廠房機器及興建中物業的支出分別約為176,330,000港元及71,346,000港元。本年度由於董事檢討部份土地及樓宇的賬面值，因此而確定了約102,079,000港元的減值損失。其中約87,628,000港元已在資產重估儲備內扣除，而餘下約14,451,000港元則在綜合收益賬內扣減。

本年度本集團及本公司之物業、機器及設備連上述及其他變動詳情載列於財務報表附註12內。

股本

本公司之股本詳情載列於財務報表附註22內。

儲備

本年度本集團及本公司之儲備變動詳情載列於財務報表附註24內。

董事及董事服務合約

於本年度及截至本年報日，本公司董事名單如下：

執行董事：

夏松芳先生 (*主席*)
柳康遠先生
鮑文巨先生
劉文華小姐 (於二零零二年一月二日離任)

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Non-executive directors:

Mr. Ha Hon Kuen

Ms. Yeh Yi Hao, Yvette

Ms. Mi Man See, Lisa (alternate to Ms. Yeh Yi Hao, Yvette)

Independent non-executive directors:

Mr. Ng Kwok Tung

Mr. Wong Kwong Chi

In accordance with Article 102 of the Company's Articles of Association, Mr. Lau Hong Yon, Ms. Yeh Yi Hao, Yvette and Mr. Wong Kwong Chi retire and, being eligible, offer themselves for re-election.

For those retiring directors, Mr. Lau Hong Yon has entered into a service contract with the Company for a term of five years commencing 1st March, 1998. On 27th November, 2002, the terms of his contract was extended to 28th February, 2005. Ms. Yeh Yi Hao, Yvette has entered into a service contract with the Company for a term of eighteen months commencing 1st March, 2000. During the year, the terms of her contract, which was previously extended to 31st August, 2002, was further extended to 31st August, 2003. Mr. Wong Kwong Chi has entered into a service contract with the Company for a term of one year commencing 16th August, 1998. During the year, the terms of his contract, which was previously extended to 31st August, 2002, was further extended to 31st August, 2003.

Messrs. Ha Hon Kuen and Ng Kwok Tung, have entered into separate service contracts with the Company for a term of one year commencing 17th May, 1996 and 16th November, 1996, respectively. During the year, the terms of both contracts, which were previously extended to 31st August, 2002, were further extended to 31st August, 2003.

None of the directors proposed for re-election at the forthcoming annual general meeting and none of the non-executive directors has a service contract with any of the companies in the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

非執行董事：

夏漢權先生

葉儀皓女士

米聞斯小姐 (為葉儀皓女士之替代董事)

獨立非執行董事：

伍國棟先生

王幹芝先生

根據本公司組織章程第102條，柳康遠先生、葉儀皓女士及王幹芝先生告退，惟願膺選連任。

在需要告退之董事中，柳康遠先生已與本公司簽訂一份服務合約，合約由一九九八年三月一日開始，為期五年。於二零零二年十一月二十七日，該合約已續期至二零零五年二月二十八日。葉儀皓女士已與本公司簽訂一份服務合約，合約由二零零零年三月一日開始，為期十八個月。本年度該合約已續期至二零零二年八月三十一日，後再續期至二零零三年八月三十一日。王幹芝先生已與本公司簽訂一份服務合約，合約由一九九八年八月十六日開始，為期一年。本年度該合約已續期至二零零二年八月三十一日，後再續期至二零零三年八月三十一日。

夏漢權先生及伍國棟先生已分別與本公司簽訂服務合約，合約分別由一九九六年五月十七日及一九九六年十一月十六日開始，為期一年。本年度該等合約已續期至二零零二年八月三十一日，後再續期至二零零三年八月三十一日。

所有需於即將舉行之股東週年大會上重選之董事及所有非執行董事與本集團任何公司並無訂立任何於一年內非由本集團決定終止而無須支付賠償 (一般法定責任除外) 之服務合約。

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DIRECTORS' INTERESTS IN SECURITIES

At 31st August, 2002, according to the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), the interests of the directors and their associates in the securities of the Company were as follows:

董事之證券權益

於二零零二年八月三十一日，根據證券（公開權益）條例第29條須予設置之名冊所記錄，各董事及其聯繫人實益擁有本公司之證券權益如下：

Name of director 董事名稱	Number of shares held as 股份數目			Number of share options held as personal interests 個人權益之 認股權數目 (note 3) (附註3)
	Personal interests 個人權益	Corporate interests 企業權益	Other interests 其他權益	
Mr. Ha Chung Fong 夏松芳先生	—	3,540,000 (note 1) (附註1)	308,276,044 (note 2) (附註2)	—
Mr. Lau Hong Yon 柳康遠先生	280,000	—	—	280,000
Mr. Pow Man Kue 鮑文巨先生	280,000	—	—	280,000
Ms. Yeh Yi Hao, Yvette 葉儀皓女士	70,000	—	—	—

Notes:

- These shares were beneficially owned by Yee Chang Company Limited ("YCC") which is controlled by Mr. Ha Chung Fong.
- These shares were beneficially owned by Super Brilliance Company Limited, a company wholly-owned by Centre Trustee (C.I.) Limited as trustee of the Ha Trust, a trust established by Mr. Ha Chung Fong for the benefit of his family.

附註：

- 該等股份由義翔有限公司（「義翔」）實益擁有，義翔乃由夏松芳先生所控制。
- 該等股份由Super Brilliance Company Limited實益擁有，Super Brilliance Company Limited為一間由Centre Trustee (C.I.) Limited作為Ha Trust之受託人全資擁有之公司。Ha Trust為一項由夏松芳先生為其家族利益而成立之信託。

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3. The share options were granted under the share option scheme of the Company adopted on 2nd March, 1999 and entitle the holders thereof to subscribe for the Company's shares of HK\$0.20 each at a subscription price of HK\$0.72 per share at any time during a period of not exceeding six months commencing on the expiry of one year after the date on which the option is accepted and expiring on the last day of such period.

Save as disclosed above and other than certain nominee shares in certain subsidiaries held in trust for the Group by a director, at 31st August, 2002, none of the directors of the Company, nor their associates, had any interests in any securities of the Company or any of the Company's associated corporations as defined in the SDI Ordinance.

SHARE OPTIONS

Pursuant to the share option scheme adopted on 2nd March, 1999 (the "Old Option Scheme"), the board of directors of the Company may offer to full time employees, including full time executive directors, of the Company and/or its subsidiaries who have completed the probation period options to subscribe for shares in the Company in accordance with the terms of the Old Option Scheme for the consideration of HK\$1 for each lot of share options granted. The primary purpose of the Old Option Scheme is to provide incentives to the employees of the Group. The total number of shares in respect of which options may be granted under the Old Option Scheme is not permitted to exceed 10% of the shares of the Company in issue from time to time excluding any shares issued under the Old Option Scheme. The number of shares in respect of which options may be granted to any employee, if exercised in full and when aggregated with the total number of shares already issued upon the exercise of options previously granted to an employee, is not permitted to exceed 25% of the aggregate number of shares for the time being issued and issuable under the Old Option Scheme. Options granted must be taken up within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think

3. 認股權乃根據本公司於一九九九年三月二日採納之認股權計劃授出，持有者可於接納日之一年後之六個月內之任何時間以每股0.72港元之認購價認購每股面值0.2港元之本公司股份。

除上述及一位董事以本集團代理人身份持有部份本集團附屬公司股份之外，本公司董事及其聯繫人於二零零二年八月三十一日並無擁有本公司或本公司任何聯營公司(定義見證券(公開權益)條例)之任何證券權益。

認股權

根據於一九九九年三月二日採納之認股權計劃(「舊認股權計劃」)，本公司董事會可按舊認股權計劃之條款授予本公司及／或其附屬公司已通過試用期的全職僱員(包括全職執行董事)認股權以認購本公司的股份，每次接受認股權之代價為1港元。舊認股權計劃的主要目的為向集團僱員給予鼓勵。根據舊認股權計劃所授出的認股權而發行之股份總數，最多不得超過扣除根據舊認股權計劃而發行之股份數目後之本公司不時發行股份總數之10%。任何一位僱員根據將獲授認股權全部行使後而得到的股份連同之前已行使認股權而獲得的股份的總數，最多不得超過根據舊認股權計劃而已發行或可發行的股份總數之25%。僱員必須在認股權授出日之28日或本公司董事會另訂的其他期間內接納所獲授予的認股權。僱員可在其接納認股權當日之一年後之六個月內之任何時間行使認股權。認購價由本公司董事會議

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fit. Options may be exercised at any time within six months commencing on the expiry of one year after an option is accepted by an employee. The exercise price is determined by the board of directors of the Company, and shall be the higher of a price being not less than 80% of the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of a share.

The weighted average closing price of the Company's shares immediately before the dates on which options were exercised under the Old Option Scheme was HK\$0.99.

Due to changes in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Old Option Scheme was terminated at the Extraordinary General Meeting held on 25th January, 2002. As a result, no further options will be granted under the Old Option Scheme. However, the options previously granted under the Old Option Scheme shall remain in full force and effect.

A new share option scheme (the "New Option Scheme"), which will expire on 24th January, 2012, was adopted by the Company at the Extraordinary General Meeting held on 25th January, 2002. The primary purpose of the New Option Scheme is to provide the Company with a flexible means of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the board of directors of the Company may approve from time to time. Under the New Option Scheme, the board of directors of the Company may offer to full time employees, including full time executive directors, of the Company and/or its subsidiaries who have completed the probation period options to subscribe for shares in the Company in accordance with the terms of the New Option Scheme for the consideration of HK\$1 for each lot of share options granted. The total number of shares in respect of which options may be granted under the New Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the New Option Scheme. The Company may seek approval from shareholders of the Company in general meeting to refresh the

定，但必須為股份於認股權授出日之前五個營業日之平均收市價的80%或股份之每股面值，二者中最高價者。

根據舊認股權計劃行使認股權的前一天本公司股份的加權平均收市價為0.99港元。

由於香港聯合交易所有限公司證券上市規則（「上市規則」）的轉變，舊認股權計劃已於二零零二年一月二十五日舉行之特別股東大會上被終止。據此，將不可再根據舊認股權計劃授出認股權。但過往根據舊認股權計劃而已授出的認股權則仍具十足効力。

一項將於二零一二年一月二十四日到期的新認股權計劃（「新認股權計劃」）已於二零零二年一月二十五日舉行的特別股東大會上被採納。新認股權計劃之主要目的為本公司可向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就本公司董事會不時批准之其他目的而言提供一個靈活方式。根據新認股權計劃，本公司董事會可按新認股權計劃之條款授予本公司及／或其附屬公司已通過試用期的全職僱員（包括全職執行董事）認股權以認購本公司股份，每次接受認股權之代價為1港元。根據新認股權計劃所授出之認股權而發行之股份總數，最多不得超過新認股權計劃獲批准當日之已發行股份總數之10%。本公司可在股東大會上尋求股東批准，更新此10%之上限。惟根據新認股權計劃及本公司任何其他認股權計劃已授出但尚未行使之

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10% limit. In addition, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of shares of the Company in issue, subject to approval from shareholders of the Company. Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. The minimum period for which an option must be held before it can be exercised is one year or such other period as the board of directors of the Company may think fit commencing from the date of grant ("Hold-up period"). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Hold-up period and expire no later than the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the followings:

- a) the closing price of shares at the date of grant of a share option;
- b) the average closing price of the shares for the five business days immediately preceding the date of grant; and
- c) the nominal value of a share.

No share options were granted under the New Option Scheme during the year.

At the date of this report, the number of shares in respect of which options had been granted and remained outstanding under the New Option Scheme was 8,952,000, representing approximately 1% of the shares of the Company in issue at that date.

認股權獲行使而發行之股份總數，最多不得超過本公司不時已發行股份總數之30%（或根據上市規則容許之較高上限）。除已獲股東批准外，任何一位僱員於任何十二個月期間內，其因行使將獲授認股權之股份總數，最多不得超過本公司已發行股份總數之1%。僱員必須在認股權授出日之28日或本公司董事會另訂的其他期間內接納所獲授予的認股權。僱員必須最少持有認股權由授出日起計一年或本公司董事會另訂的其他期間（「持有期」）。認購期由本公司董事會按絕對酌情權釐定，將由持有期屆滿後開始計算及不遲於授出日後十週年屆滿。認購價由本公司董事會議定，但必須為以下三者中最高價者：

- a) 股份於授出認股權當日的收市價；
- b) 股份於認股權授出日之前五個營業日之平均收市價；及
- c) 股份之每股面值。

本年度並無根據新認股權計劃授出認股權。

於本年報日，根據新認股權計劃而已授出的認股權之有關股份結餘為8,952,000股，佔本公司該日已發行股份約1%。

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Details of the movements in the Company's share options during the year are as follows:

本年度本公司認股權之變動詳情如下：

	Type of share option	Option period	Number of share options				
			Outstanding at 1.9.2001	Exercised during the year	Lapsed during the year	Outstanding at 31.8.2002	
	認股權類別	認購期限	於二零零一年九月一日結餘	本年度行使	本年度失效	於二零零二年八月三十一日結餘	
Directors	董事						
Mr. Lau Hong Yon	柳康遠先生	2001	31.8.2002 - 28.2.2003	280,000	—	—	280,000
Mr. Pow Man Kue	鮑文巨先生	2001	30.8.2002 - 28.2.2003	280,000	—	—	280,000
Ms. Liou Wen Hwa, Cecilia (resigned on 2nd January, 2002)	劉文華小姐 (於二零零二年一月二日離任)	2000	28.6.2001 - 27.12.2001	280,000	—	(280,000)	—
		2001	30.8.2002 - 28.2.2003	280,000	—	(280,000)	—
				<u>1,120,000</u>	<u>—</u>	<u>(560,000)</u>	<u>560,000</u>
Others	其他						
Employees	僱員	2000	1.6.2001 - 27.12.2001	650,000	(160,000)	(490,000)	—
		2001	30.8.2002 - 28.2.2003	8,174,000	—	(240,000)	7,934,000
				<u>9,944,000</u>	<u>(160,000)</u>	<u>(1,290,000)</u>	<u>8,494,000</u>

Details of each type of share options are as follows:

每類認股權之詳情如下：

Date of grant	Vesting period	Exercise price	
授出日期	有效期	認購價	
		HK\$	
		港元	
2000	1.6.2000	1.6.2000 - 28.6.2000	0.62
2001	30.8.2001	30.8.2001 - 26.9.2001	0.72

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ARRANGEMENTS TO PURCHASE SHARES OR DEBT SECURITIES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debt securities, including debentures, of the Company or any other body corporate, and none of the directors nor any of their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

On 2nd November, 1999, K.L.W. Limited ("KLW") entered into a tenancy agreement (the "YCC Agreement") with YCC for the grant of a tenancy by YCC to KLW for a term of two years commencing 15th October, 1999 at a monthly rent of HK\$83,000 exclusive of rates and management fee. On 22nd October, 2001, the YCC Agreement was renewed for a term of another two years commencing 15th October, 2001 at a monthly rent of HK\$74,000 exclusive of rates and management fee. Rentals totalling HK\$897,000 were paid by the Group to YCC pursuant to the YCC Agreement during the year.

On 29th June, 2002, Ambler House Development Limited ("Ambler House"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Belgrave Court Investment Limited ("Belgrave Court") and Kenpark Investment Limited ("Kenpark"). Pursuant to the agreement, Ambler House agreed to acquire from Belgrave Court and Kenpark collectively a total of 8,571,429 shares, representing 30% of the total issued

收購股份或債務證券安排

除上述外，本公司或其任何附屬公司在本年度內任何時間均無任何安排，使本公司董事藉購買本公司或任何其他公司之股份或債務證券(包括債券)而獲益，本年度各董事或任何其配偶及其子女(年齡少於十八歲)並無授權可認購本公司證券或並無行使該權利。

董事擁有之重要合約權益及關連交易

於一九九九年十一月二日，金漣威(香港)有限公司(「金漣威」)與義翔訂立一項租約協議(「該協議」)，由義翔以月租83,000港元(不包括差餉及管理費)將一物業出租予金漣威，租約由一九九九年十月十五日開始，為期兩年。於二零零一年十月二十二日，該協議已由二零零一年十月十五日起續期兩年，月租為74,000港元(不包括差餉及管理費)。本年度本集團根據該協議而支付予義翔之租金共897,000港元。

於二零零二年六月二十九日，本公司全資附屬公司Ambler House Development Limited(「Ambler House」)與Belgrave Court Investment Limited(「Belgrave Court」)及Kenpark Investment Limited(「Kenpark」)簽訂一份買賣合約。根據該合約，Ambler House同意以

DIRECTORS' REPORT

董事會報告

and paid up share capital of KLW at a cash consideration of HK\$3,500,000. The transaction was completed on 29th June, 2002. Belgrave Court and Kenpark are controlled by Ms. Liou Wen Hwa, Cecilia, who was a director of the Company and KLW until 2nd January, 2002 and 29th June, 2002, respectively.

On 29th June, 2002, KLW entered into a consultancy agreement with Ms. Liou Wen Hwa, Cecilia, under which Ms. Liou Wen Hwa, Cecilia agreed to provide KLW with consultancy services for a six-month period from 2nd January, 2002 to 1st July, 2002 at a service fee of approximately HK\$1,537,000.

During the period from 1st September, 2001 to 29th June, 2002, KLW purchased dyed fabrics and sewing threads totalling approximately HK\$36,573,000 from certain subsidiaries of the Company.

The terms of the above transactions were considered by the Board of Directors of the Company (including the independent non-executive directors) as fair and reasonable and the above transactions had been entered into on normal commercial terms.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

3,500,000港元之現金代價向Belgrave Court和Kenpark購入合共8,571,429股的金漣威股份，該等股份佔金漣威已繳股款之已發行股本的30%。該交易於二零零二年六月二十九日完成。Belgrave Court及Kenpark由劉文華小姐所控制，直至二零零二年一月二日及二零零二年六月二十九日為止，劉文華小姐分別為本公司及金漣威的董事。

於二零零二年六月二十九日，金漣威與劉文華小姐簽訂一份顧問服務協議。據此，劉文華小姐同意在二零零二年一月二日至二零零二年七月一日六個月期間內向金漣威提供顧問服務，而服務費約為1,537,000港元。

於二零零一年九月一日至二零零二年六月二十九日期間，金漣威向本公司部份附屬公司購買成品布及縫紉線共約36,573,000港元。

本公司董事會(包括獨立非執行董事)認為以上之交易屬公平、合理及按正常商業條款進行。

除上述外，於本年度終結時或在本年度內任何時間，本公司或其任何附屬公司並無其他根據上市規則須予披露之關連交易，亦無訂立任何與本公司董事有直接或間接重大利益之重要合約。

DIRECTORS' REPORT

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DISCLOSURE PURSUANT TO PRACTICE NOTE NO.19 TO THE LISTING RULES

At 31st August, 2002, the Company has entered into a loan agreement which requires Mr. Ha Chung Fong to comply with certain specific performance obligations. Details of the loan agreement are as follows:

Date of loan agreement	Total loan facility amount	Outstanding loan amount at 31.8.2002	Month of final repayment
借款合同日期	總借款金額	於二零零二年八月三十一日借款結餘金額	最後還款月份
	HK\$ 港元	HK\$ 港元	
25th February, 2000 二零零零年二月二十五日	480,000,000	288,000,000	April 2005 二零零五年四月

Specific performance obligations required:

- (i) to own beneficially or control at least 35% of the issued share capital of the Company.
- (ii) to own beneficially or control the largest single block of shares in the issued share capital of the Company.
- (iii) to remain as the Company's director and be actively involved in the management of the Company.

Note: All the above specific performance obligations have been subsequently waived by the bank after 31st August, 2002.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of a director and his associates, the register required to be maintained under Section 16(1) of the SDI Ordinance shows that no other shareholders were interested in 10% or more of the issued share capital of the Company at 31st August, 2002.

根據上市規則第19項應用指引須予披露之事宜

於二零零二年八月三十一日，本公司已簽訂一份借款合同，當中要求夏松芳先生遵守一些特殊責任。借款合同詳情如下：

Outstanding loan amount at 31.8.2002	Month of final repayment
於二零零二年八月三十一日借款結餘金額	最後還款月份
288,000,000	April 2005 二零零五年四月

被要求之特殊責任：

- (i) 實益擁有或控制本公司已發行股本不少於35%。
- (ii) 實益擁有或控制本公司已發行股本中之最大數目之一批股份。
- (iii) 繼續擔任本公司董事職位及積極參與本公司管理事宜。

附註：該銀行已於二零零二年八月三十一日之後取消上述全部特殊責任之要求。

主要股東

於二零零二年八月三十一日，根據證券（公開權益）條例第16(1)條須予設置之名冊所記錄，除上述董事及其聯繫人之權益外，並無其他股東實益擁有百分之十或以上本公司已發行股本。

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

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 22 to the financial statements. The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company. Save as disclosed in note 22 to the financial statements, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's five largest customers was less than 30% of the total turnover for the year. The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the total purchases for the year.

DONATIONS

During the year, the Group made charitable and other donations totalling approximately HK\$661,000.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st August, 2002 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

HA Chung Fong
Director

Hong Kong
12th December, 2002

Fountain Set (Holdings) Limited

購回、出售及贖回本公司之上市證券

本年度本公司經香港聯合交易所有限公司購回部份本身之股份，詳情載列於財務報表附註22內。董事認為由於本公司股份之成交價較每股資產淨值有所折讓，故購回股份可增加本公司之每股資產淨值。除已披露於財務報表附註22外，本年度本公司及其任何附屬公司並無購回、出售或贖回本公司之上市證券。

主要客戶及供應商

本年度本集團前五大客戶共佔本集團之營業總額少於百分之三十。而本年度本集團前五大供應商共佔本集團之採購總額少於百分之三十。

捐款

本年度本集團作出之慈善及其他捐款共約661,000港元。

公司管治

於截至二零零二年八月三十一日止年度內，本公司一直遵守上市規則附錄14「最佳應用守則」之規則。

核數師

本公司將於即將舉行之股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

代董事會

董事
夏松芳

香港
二零零二年十二月十二日