

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30th September, 2002.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are property investment and investment holding. The principal activities of the Company's subsidiaries and jointly controlled entity are set out in notes 17 and 18 to the financial statements respectively.

The Group's turnover and contribution to profit before taxation for the year ended 30th September, 2002 analysed by principal activity and geographical market are set out in note 5 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30th September, 2002 are set out in the consolidated income statement on page 19.

An interim dividend of HK\$0.02 per share amounting to HK\$2,203,588 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK\$0.06 per share to the shareholders on the register of members on 30th December, 2002, amounting to HK\$6,610,763.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Liquidity and financial resources

The Group will maintain its conservative financial approach to the funding and treasury policies. At 30th September, 2002, the shareholders' funds were HK\$879.1 million, a decrease of HK\$180.8 million from HK\$1,059.9 million at 30th September, 2001. The decrease was mainly due to the downward revaluation of the Group's investment properties.

At 30th September, 2002, the Group's total bank borrowings were HK\$239.1 million, an increase of HK\$23 million from HK\$216.1 million last year. The increase of bank borrowings was used to repay short term unsecured loans and to finance the acquisition of a new investment property. In respect of these bank borrowings, HK\$49.6 million were repayable within one year, HK\$180.3 million were due for repayment after one year but within two years; and the remaining portion of HK\$9.2 million were repayable after two years. Interest on Hong Kong dollar bank loans of HK\$202.7 million was calculated at HIBOR plus a margin, whereas interest on Japanese Yen bank loans of HK\$34.7 million and Hong Kong dollar bank overdraft of HK\$1.7 million was based on the prime rate of the respective corresponding currency. At 30th September, 2002, the debt to equity ratio, based on the Group's total borrowings of HK\$269.1 million and its net assets value of HK\$879.1 million, was 30.6%, as compared with 24.4% on 30th September, 2001. The increase was mainly due to the downward revaluation of the Group's investment properties as mentioned above.

## 董事會報告書

董事會謹將截至二零零二年九月三十日止年度之報告書連同已審核之財政報告表呈覽。

### 主要業務

本公司之主要業務為物業投資及控股投資。本公司之附屬公司及共同控制公司之主要業務則分別詳列於財政報告表附註第17項及第18項內。

本集團截至二零零二年九月三十日止年度以主要業務及地區市場劃分之營業額及其除稅前溢利之分析詳列於財政報告表附註第5項內。

### 業績及溢利分配

本集團截至二零零二年九月三十日止年度之業績詳列於綜合收益賬第19頁。

每股港幣2仙之中期股息為港幣2,203,588元已於本年內派發予股東。董事會現建議派發末期股息每股港幣6仙，共港幣6,610,763元予於二零零二年十二月三十日登記於股東名冊內之股東。

### 管理層討論及分析

#### 資金流動性及財政資源

本集團將維持審慎財政方式處理資金及庫務政策。二零零二年九月三十日，股東權益為港幣八億七千九百一十萬元，比較二零零一年九月三十日之港幣十億零五千九百九十萬元減少港幣一億八千零八十萬元，減少主要因為本集團之投資物業重估價值下調。

於二零零二年九月三十日，本集團之銀行總貸款為港幣二億三千九百一十萬元，較上年度之港幣二億一千六百一十萬元增加港幣二千三百萬元。銀行貸款增加是用作償還短期無抵押貸款及用作購入一新投資物業之部份融資。對於此銀行貸款，於一年內要償還之金額為港幣四千九百六十萬元；於一年後至兩年內要償還之金額為港幣一億八千零三十萬元；於二年後要償還之剩餘部份為港幣九百二十萬元。港幣銀行貸款港幣二億零二百七十萬元之利息按本地銀行同業折息加一比率計算；而日圓銀行貸款港幣三千四百七十萬元及港幣銀行透支港幣一百七十萬元之利息乃按其分別相關貨幣之優惠利率計算。於二零零二年九月三十日，按本集團總貸款港幣二億六千九百一十萬元及其淨資產值港幣八億七千九百一十萬元，負債對股東權益比率為百分之三十點六，比對二零零一年九月三十日之百分之二十四點四，增加主要因為上述本集團之投資物業重估價值下調。

## DIRECTORS' REPORT (Continued)

Certain investment properties of the Group with an aggregate carrying value of HK\$1,008 million were pledged to banks to secure the general banking facilities granted to the Group.

As at 30th September, 2002, the Group had undrawn banking facilities of HK\$190.6 million which will provide adequate funding for the Group's operational and capital expenditure requirement.

As at 30th September, 2002, the Group had contingent liabilities in respect of guarantees issued to secure bank loans to the extent of HK\$38 million granted to the subsidiary of the Group's jointly controlled entity. The extent of banking facilities utilized by the subsidiary of the jointly controlled entity at 30th September, 2002 was approximately HK\$21 million.

### Employees

At 30th September, 2002, the Group had 118 employees and the employee's cost including directors' emoluments for the year amounted to approximately HK\$17.1 million which was similar to that of last year. There was no change in employment and remuneration policies of the Group and the Group does not have any share option scheme for employees.

### SUBSIDIARIES AND JOINTLY CONTROLLED ENTITY

Details of the Company's subsidiaries and jointly controlled entity are set out in notes 17 and 18 to the financial statements respectively.

### RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 25 to the financial statements.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 54.

### BORROWINGS

Bank loans and overdrafts and other borrowings repayable within one year or on demand are classified under current liabilities. Details of long term borrowings are set out in notes 26 and 27 to the financial statements. No interest was capitalised by the Group during the year.

### INVESTMENT PROPERTIES

The Group acquired an investment property and revalued its investment properties at the year end. The revaluation decrease, which has been debited directly to the investment property revaluation reserve, amounted to approximately HK\$196.9 million. Details of movements in the investment properties of the Group and the Company are set out in note 14 to the financial statements.

## 董事會報告書(續)

本集團以總額賬面值共約港幣十億零八百萬元之若干投資物業抵押於銀行作為給予本集團一般銀行信貸之保證。

於二零零二年九月三十日，本集團未提取之銀行信貸為港幣一億九千零六十萬元，此額將提供足夠資金予本集團之營運及資本開支所需。

於二零零二年九月三十日，本集團之或然負債是因為銀行給予一共同控制公司之附屬公司銀行貸款達港幣三千八百萬元而作出之擔保。於二零零二年九月三十日，共同控制公司之附屬公司已使用之銀行貸款額約為港幣二千一百萬元。

### 僱員

於二零零二年九月三十日，本集團有一百一十八名僱員，而本年度之僱員開支包括董事酬金為港幣一千七百一十萬元，與上年度相約。本集團之僱傭及酬金政策並無改變，及本集團並無僱員認購股權計劃。

### 附屬公司及共同控制公司

本公司之附屬公司及共同控制公司詳情分別列於財政報告表附註第17項及第18項內。

### 儲備

本年度本集團及本公司之儲備變動詳列於財政報告表附註第25項內。

### 財政概要

本集團過去五個財政年度之業績、資產及負債概要載於第54頁。

### 借款

銀行貸款及透支及其他須於一年內償還或即期償還之借款已列入流動負債項目內。長期借款詳情列於財政報告表第26項及27項內。本年度本集團並無將利息撥作為成本。

### 投資物業

本集團購入一投資物業及於年結日重估其投資物業。重估之減值約港幣一億九千六百九十萬元已直接在投資物業重估儲備扣除。本集團及本公司投資物業之變動詳情列於財政報告表附註第14項內。

## DIRECTORS' REPORT (Continued)

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company are set out in note 15 to the financial statements.

### MAJOR PROPERTIES HELD FOR INVESTMENT

Details of the major properties of the Group held for investment at the year end are set out on pages 55 and 56 in the annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 30th September, 2002, the five largest customers of the Group accounted for less than 30% of the Group's turnover. The five largest suppliers of the Group accounted for approximately 57% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 32%.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

### DIRECTORS

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

Mr. Wong Bing Lai  
Mr. Wong Tat Chang, Abraham  
Mr. Wong Tat Kee, David  
Mr. Wong Tat Sum, Samuel  
Mdm. Lam Hsieh Li Chen, Linda \*  
Mdm. Chan Ho Lai Kuen \*  
Mr. Cheng Mo Chi, Moses \*

*\* Independent non-executive directors*

In accordance with the Company's Articles of Association, Mr. Wong Tak Kee, David shall retire by rotation from the board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

The term of office for each non-executive director is the period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

## 董事會報告書 (續)

### 物業、裝置及設備

本集團及本公司之物業、裝置及設備之變動詳情列於財政報告表附註第15項內。

### 主要投資物業

本集團於年結日之主要投資物業詳情列於年報第55頁及第56頁。

### 主要客戶及供應商

於截至二零零二年九月三十日止財政年度，本集團五大客戶合共佔本集團之營業額少於30%。本集團五大供應商則佔本集團全年之採購總額約57%，而其中最大供應商約佔採購額32%。

本年度內董事、其聯繫人士或就本公司董事所知擁有本公司股本逾5%之股東概無擁有本集團任何五大供應商之權益。

### 董事

本年度及截至此報告書日止本公司之董事為：

黃炳禮先生  
黃達濶先生  
黃達琪先生  
黃達琛先生  
林謝麗瓊女士\*  
陳何麗娟女士\*  
鄭慕智先生\*

*\* 獨立非執行董事*

根據本公司章程，黃達琪先生將於即將召開之股東週年大會上依章輪流告退，惟願膺選連任。

每位非執行董事之任期為任職直至他／她根據本公司組織章程細則輪值告退止。

## DIRECTORS' REPORT (Continued)

## 董事會報告書 (續)

### DIRECTORS' INTERESTS IN SHARES

At 30th September, 2002, the interests of the directors and chief executives and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

### 董事之股份權益

於二零零二年九月三十日，按證券(公開權益)條例第29條而設之登記名冊所記錄，各董事及行政總裁及彼等聯繫人士擁有本公司之股本權益如下：

		Number of ordinary shares 普通股數量			
Name of director 董事姓名		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益
(a) Interests in the Company 於本公司之權益	Wong Tat Chang, Abraham 黃達漳	450,800	—	—	56,806,234
	Wong Tat Kee, David 黃達琪	—	—	—	56,806,234
	Wong Tat Sum, Samuel 黃達琛	—	28,800	—	56,806,234
	Lam Hsieh Li Chen, Linda 林謝麗瓊	104,420	—	—	—
	Chan Ho Lai Kuen 陳何麗娟	2,416,128	—	—	—
(b) Interests in subsidiary 於附屬公司之權益	Elephant Holdings Limited 大象行有限公司				
	Wong Tat Chang, Abraham 黃達漳	10	—	—	4,784
	Wong Tat Kee, David 黃達琪	—	—	—	4,784
	Wong Tat Sum, Samuel 黃達琛	—	—	—	4,784

Note: Shares included in other interests are beneficially owned by discretionary trusts of which Messrs. Wong Tat Chang, Abraham, Wong Tat Kee, David and Wong Tat Sum, Samuel are beneficiaries and the number of shares in each of the above companies are duplicated for each of these three directors.

附註：其他權益內之股份為信託基金擁有，黃達漳、黃達琪及黃達琛諸位先生為該等信託基金之受益人，而上述每間公司股份數目均為該三位董事每位所重複之權益。

Save as aforementioned, at 30th September, 2002, none of the directors or chief executives, nor their associates, had any interests in the equity securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors or chief executives, nor their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the year.

除上述者，於二零零二年九月三十日，按證券(公開權益)條例之定義董事或行政總裁或彼等聯繫人士並無擁有本公司或其任何附屬公司之股本證券權益，及於本年度董事或行政總裁或其配偶或其未滿十八歲之子女並無獲授任何可認購本公司證券之權利或行使任何該權利。

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 35 to the financial statements, 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.

### 董事之重大合約利益

除於財政報告表附註第35項內所述外，於年結日或年內之任何時間，本公司或其任何附屬公司並無簽訂致使本公司之董事直接或間接享有重大利益之重大合約。

## DIRECTORS' REPORT (Continued)

### SERVICE AND MANAGEMENT CONTRACTS

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company or any of its subsidiaries were entered into during the year or subsisted at the end of the year.

### ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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 debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2002 the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain directors (and chief executives), the following shareholder had an interest of 10% or more in the share capital of the Company:

<u>Name</u>	<u>Number of ordinary shares in the Company</u>
Madison Profits Limited	22,827,632 (Note)

Note: These 22,827,632 shares were taken to be the corporate interests of Mdm. Kung, Nina pursuant to the SDI Ordinance.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

### RETIREMENT BENEFIT SCHEME

The Group operates the mandatory provident fund scheme ("MPF Scheme") for all qualifying employees in accordance with the Mandatory Provident Fund Schemes Ordinance (the "Ordinance"). The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees.

The Group's contributions to the MPF Scheme were calculated at 5% of the employee's monthly relevant income. Any contributions which exceed the contributions required under the Ordinance are paid to the MPF Scheme as voluntary contribution.

## 董事會報告書 (續)

### 服務及管理合約

於即將召開之股東週年大會上擬重選連任之董事並無與本公司或其任何附屬公司簽訂該僱任公司在不作出賠償(除法定賠償外)下而不可於一年內予以終止之服務合約。

於本年度內或年結日時，本公司或其任何附屬公司並無簽訂或存有涉及其本身全部或重大部分業務之管理及行政之重大合約。

### 購買股份或債券之安排

本年度內本公司或其任何附屬公司並無參與任何安排，使本公司董事因取得本公司或任何其他公司之股份或債券而獲益。

### 主要股東

於二零零二年九月三十日，根據證券(公開權益)條例第十六(一)條之規定而保存之主要股東登記名冊所載，除若干董事(及行政總裁)以上所述權益外，以下股東持有百分之十或以上本公司之股本權益：

<u>公司名稱</u>	<u>本公司之普通股數量</u>
Madison Profits Limited	22,827,632 (附註)

附註：根據證券(公開權益)條例，該22,827,632股為龔心女士之公司權益。

### 購買、出售或贖回股份

本年度內本公司或其任何附屬公司並無購買、出售或贖回本公司之股份。

### 退休金計劃

本集團為所有合資格之僱員根據強制性公積金計劃條例(「條例」)設立強制性公積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開，由信託人控制之基金管理。

本集團對強積金計劃之供款以僱員每月有關收入百分之五比率計算。任何供款超過條例所須之供款則以自願性供款存入強積金計劃。

## DIRECTORS' REPORT (Continued)

Contributions to the MPF Scheme for the year made by the Group amounted to HK\$663,027. For the year ended 30th September, 2002, forfeited contributions of HK\$1,520 were used to reduce current year's contribution. At 30th September, 2002, no material forfeited contribution which arose upon employees leaving the retirement benefits scheme was available to reduce the contributions payable in future years.

Save as aforementioned, no retirement benefits were paid or are payable by the Group in respect of the year.

### CORPORATE GOVERNANCE

The Company has complied throughout the year ended 30th September, 2002 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### AUDITORS

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting. There has been no change in auditors of the Company in any of the preceding three years.

On behalf of the Board  
**WONG BING LAI**  
*Chairman*

Hong Kong, 19th November, 2002

## 董事會報告書 (續)

於年內本集團向強積金計劃供款共約港幣663,027元。截至二零零二年九月三十日止年度，被沒收之供款為港幣1,520元用作扣減本年度之供款。於二零零二年九月三十日，因僱員退出退休福利計劃而沒收之供款，作為以供扣減未來數年所應付之供款並不重大。

除前述者外，本集團概無於本年度支付或應付退休福利。

### 公司管治

本公司於截至二零零二年九月三十日止年度全年均遵守載於香港聯合交易所有限公司證券上市規則附錄十四所載之最佳應用守則。

### 核數師

於將來臨之股東週年大會上，將會提出繼續委任德勤•關黃陳方會計師行為本公司核數師之決議案。本公司之核數師於過去三年並無變動。

承董事會命  
主席  
**黃炳禮**

香港，二零零二年十一月十九日