

董事會同寅謹呈覽截至二零零三年三月三十一日止年度，本公司及其附屬公司(以下統稱「本集團」)之週年報告及經審核財務報表予本公司股東。

### 主要業務

本公司之主要業務為投資控股，其主要附屬公司、聯營公司及合營公司之主要業務載於財務報表附註42。

### 分項資料

詳細分項資料載於財務報表附註4。

### 業績

本集團截止二零零三年三月三十一日止年度之業績詳情，載於第55頁之綜合收益表及有關之財務報表附註內。

本公司董事會建議不派發截至二零零三年三月三十一日止年度之末期股息。

### 五年財務概要

本集團最近五個財務年度之業績及資產負債之概要載於第145頁。

### 投資物業與物業、廠房及設備

本集團及本公司投資物業與物業、廠房及設備於本年度內之變動詳情，分別載於財務報表附註15及16。

### 待發展／發展中、出售及投資等用途之物業

本集團待發展／發展中物業於本年度內之變動詳情載於財務報表附註17。

The directors submit to shareholders their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2003.

### Principal Activities

The principal activity of the Company is investment holding and the activities of its principal subsidiaries, associates and jointly controlled entities are set out in note 42 to financial statements.

### Segment Information

Details of segment information are set out in note 4 to the financial statements.

### Results

Details of the results of the Group for the year ended 31 March 2003 are set out in the consolidated income statement on page 55 and the accompanying notes to the financial statements.

The Directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31 March 2003.

### Five-year Financial Summary

A summary of the results and assets and liabilities of the Group for the past five financial years is set out on page 145.

### Investment Properties and Property, Plant and Equipment

Details of changes during the year in the investment properties and property, plant and equipment of the Group and of the Company are set out in notes 15 and 16 to the financial statements respectively.

### Properties Held for/under Development, Sale and Investment Purposes

Details of changes during the year in properties held for/under development of the Group are set out in note 17 to the financial statements.

### 待發展／發展中、出售及投資等用途之物業－續

待發展／發展中、出售及投資等用途之主要物業摘要載於第146頁至第156頁。

### 股本

本年度內本公司之股本並無任何變動。

### 儲備

本集團及本公司之儲備於本年度內之變動詳情分別載於第59頁內之綜合權益變動報表及財務報表附註30。

### 董事

本公司於本年度內及截至本報告書日期之董事會成員如下：

查濟民 (主席)

查懋聲 (副主席)

查懋成 (董事總經理)

夏佳理

(獨立非執行董事)

鄭家純

(獨立非執行董事)

查懋德

張昌明

鍾心田

(同是查懋聲之替代董事)

何柏貞

王查美龍

按照本公司之公司組織章程細則第116條之規定，查懋成先生、鄭家純先生及王查美龍女士須輪席退任，惟彼等符合資格，願膺選連任。所有其他董事均繼續留任。

### Properties Held for/under Development, Sale and Investment Purposes – continued

A summary of major properties held for/under development, sale and investment purposes is set out on pages 146 to 156.

### Share Capital

There was no change in the share capital of the Company during the year.

### Reserves

Details of movements during the year in the reserves of the Group and of the Company are set out in Consolidated Statement of Changes in Equity in Page 59 and note 30 to the financial statements respectively.

### Directors

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

CHA Chi Ming (Chairman)

CHA Mou Sing Payson (Deputy Chairman)

CHA Mou Zing Victor (Managing Director)

Ronald Joseph ARCULLI

(Independent Non-executive Director)

CHENG Kar Shun Henry

(Independent Non-executive Director)

CHA Mou Daid Johnson

CHEUNG Tseung Ming

CHUNG Sam Tin Abraham

(Also alternate to CHA Mou Sing Payson)

HO Pak Ching Loretta

WONG CHA May Lung Madeline

In accordance with Article 116 of the Company's Articles of Association, Mr CHA Mou Zing Victor, Mr CHENG Kar Shun Henry and Ms WONG CHA May Lung Madeline shall retire from office by rotation and, being eligible, offer themselves for re-election. All other directors continue in office.

### 董事一續

即將於二零零三年七月三十一日舉行之股東週年大會上膺選連任之董事，概無與本公司或其任何附屬公司訂立不可於一年內在免付賠償之情況下(法定賠償除外)由本集團終止之服務合約。

各獨立非執行董事之任期，按照本公司之公司組織章程細則規定，為截至須輪席退任前為止。

### 管理合約

本公司於本年度內概無訂立或存在任何整體或任何主要業務部份之管理或行政合約。

### 董事及高級管理人員履歷

#### I 董事

##### 查濟民，主席 (89歲)

查先生自一九八九年起為本公司之創辦人及主席。查先生在物業發展方面積逾25年經驗，在紡織工業方面更積逾65年經驗，並獲頒授工商管理學榮譽博士及社會科學榮譽博士學位。

##### 查懋聲，太平紳士，副主席 (60歲)

查先生於二零零一年九月獲委任為本公司之副主席，查先生在物業發展方面積逾30年經驗。彼現任中國人民政治協商會議全國委員會之委員。查懋聲先生為查濟民先生之兒子。

##### 查懋成，董事總經理 (53歲)

查先生自一九八九年起獲委任為本公司董事，於一九九六年獲委任為HKR Asia-Pacific Pte Ltd之董事總經理及於二零零一年九月獲委任為本公司之董事總經理。查先生負責本集團業務之整體及日常管理工作。其參與紡織製造及房地產業務逾15年。查懋成先生為查濟民先生之兒子。

### Directors – continued

None of the directors offering themselves for re-election at the forthcoming annual general meeting to be held on 31 July 2003 has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

### Management Contract

No contract for the management and administration of the whole or any substantial part of any business of the Company was entered into or existed during the year.

### Biographical Details of Directors and Senior Management

#### I Director

##### CHA Chi Ming, Chairman (Age 89)

Founder and chairman of the Company since 1989, Mr CHA has over 25 years' experience in property development and more than 65 years' experience in the textile industry. He is an Honorary Doctor of Business Administration and an Honorary Doctor of Social Science.

##### CHA Mou Sing Payson, JP, Deputy Chairman (Age 60)

Appointed as deputy chairman of the Company in September 2001, Mr CHA has over 30 years' experience in property development. He is a member of The National Committee of the Chinese People's Political Consultative Conference. He is a son of Mr CHA Chi Ming.

##### CHA Mou Zing Victor, Managing Director (Age 53)

Director since 1989 and appointed as managing director of HKR Asia-Pacific Pte Ltd since 1996 and managing director of the Company in September 2001. Mr CHA is responsible for the overall and day to day management of the Group. He has been involved in the textile manufacturing and real estate businesses for over 15 years. He is a son of Mr CHA Chi Ming.

### 董事及高級管理人員履歷 – 續

#### I 董事 – 續

##### 查懋德 (51歲)

查先生自一九八九年起獲委任為董事。彼在美國矽谷及亞洲從事投資管理業務積逾25年經驗。查先生亦為The Mingly Corporation Limited之董事總經理及擔任多家中國及香港公眾及私人公司之董事。彼為香港特別行政區政府創新科技顧問委員會委員，並積極參與多家非牟利機構之事務。查懋德先生為查濟民先生之兒子。

##### 張昌明 (61歲)

張先生於二零零一年九月獲委任為董事。彼為HKR Asia-Pacific Pte Ltd之董事，負責管理本公司於亞太區之附屬公司及投資。張先生為英國結構及土木工程師學會之會員，亦是澳洲會計師公會之高級會員。

##### 鍾心田，公司秘書 (57歲)

鍾先生自一九九四年起獲委任為董事，並於二零零一年獲委任為公司秘書，負責本集團之財務及企業事宜。鍾先生為一名執業會計師，亦是香港會計師公會會員。彼於財務管理及香港之物業發展積逾25年經驗。

##### 何柏貞 (56歲)

何女士自一九九四年起獲委任。彼負責本集團之房地產業務。何女士為英國特許屋宇經理學會香港分會之會員。彼於物業發展方面積逾30年經驗。

### Biographical Details of Directors and Senior Management – continued

#### I Director – continued

##### CHA Mou Daid Johnson (Age 51)

Director since 1989, Mr CHA has over 25 years' of investment management experience in Silicon Valley and Asia. He is the managing director of The Mingly Corporation Limited and is also a director of a number of public and private companies in Hong Kong and China. He is a member of the Council of Advisors on Innovation and Technology to the Government of Hong Kong SAR and is actively participating in many non-profit organisations. He is a son of Mr CHA Chi Ming.

##### CHEUNG Tseung Ming (Age 61)

Appointed as director in September 2001, Mr CHEUNG is the resident director of HKR Asia-Pacific Pte Ltd and is responsible for the management of the Company's subsidiaries and investments in Asia-Pacific region. He is a member of the Institute of Structural and Civil Engineers in the United Kingdom and a certified practising accountant of the CPA Australia.

##### CHUNG Sam Tin Abraham, Company Secretary (Age 57)

Director since 1994 and appointed as company secretary in 2001, Mr CHUNG is responsible for the Group's financial and corporate affairs. Mr CHUNG is a certified public accountant and a member of the Hong Kong Society of Accountants. He has over 25 years' experience in financial management and property development in Hong Kong.

##### HO Pak Ching Loretta (Age 56)

Director since 1994, Ms HO is responsible for the Group's real estate business. She is a fellow of the Chartered Institute of Housing, Hong Kong Branch. She has over 30 years' experience in property development.

## 董事及高級管理人員履歷—續

## I 董事—續

**王查美龍 (63歲)**

王女士自一九八九年起獲委任。彼亦擔任多家香港及海外公眾及私人公司之董事，其中包括於香港聯合交易所有限公司上市之漢國置業有限公司及建業實業有限公司。王查美龍女士為查濟民先生之女兒。

## II 獨立非執行董事

**夏佳理，太平紳士 (64歲)**

夏先生自一九八九年起獲委任為董事，並由一九九四年起獲委任為獨立非執行董事。夏先生為夏佳理律師事務所之資深合夥人，亦擔任多家香港及全球公眾上市及私人公司之董事。

**鄭家純 (56歲)**

鄭先生自一九八九年起獲委任為董事，並由一九九四年起獲委任為獨立非執行董事。鄭先生為新世界發展有限公司之董事總經理，兼任香港多家公眾及私人公司之董事。

## III 高級管理人員

**Gary Michael BROWN (49歲)**

於一九九五年加入本集團，現擔任本集團會所管理科總經理。BROWN先生於高爾夫球、會所及酒店業務積逾20年經驗。

**陳子明 (46歲)**

陳先生於一九八零年加入本集團，現時擔任發展及市務科之總經理。陳先生於物業發展、房地產銷售及市場推廣積逾20年經驗。

Biographical Details of Directors and Senior Management  
— continued

## I Director – continued

**WONG CHA May Lung Madeline (Age 63)**

Director since 1989, Ms WONG is also a director in a number of public and private companies in Hong Kong and overseas, including Hon Kwok Land Investment Company, Limited and Chinney Investments, Limited which are listed on The Stock Exchange of Hong Kong Limited. She is a daughter of Mr CHA Chi Ming.

## II Independent non-executive director

**Ronald Joseph ARCULLI, JP (Age 64)**

Director since 1989 and appointed as an independent non-executive director in 1994, Mr ARCULLI is the managing partner of Arculli and Associates, a firm of solicitors in Hong Kong, and a director of several public listed and private companies in Hong Kong and worldwide.

**CHENG Kar Shun Henry (Age 56)**

Director since 1989 and appointed as an independent non-executive director in 1994, Mr CHENG is the managing director of New World Development Company Limited and a director of a number of public and private companies in Hong Kong.

## III Senior Management

**Gary Michael BROWN (Age 49)**

Joined in 1995, Mr BROWN is the general manager of the Group's recreation division. He has over 20 years' experience in golf, clubs and hospitality businesses.

**CHAN Chi Ming (Age 46)**

Joined in 1980, Mr CHAN is the general manager of development and marketing division. He has over 20 years' experience in property development, sales and marketing of real estate.

### 董事及高級管理人員履歷一續

#### III 高級管理人員一續

##### 陳家良 (46歲)

陳先生於一九八八年加入本集團，現時擔任本集團項目發展科總經理。彼擁有土木工程學位及工商管理碩士學位。

##### 陳銳麟 (65歲)

陳先生於一九九九年加入本集團，擔任負責愉景灣屋苑管理之愉景灣服務管理有限公司董事及總經理。陳先生為香港特別行政區政府之註冊專業房屋事務經理，於物業管理方面有45年經驗。

##### 朱家諾 (51歲)

朱先生於一九八八年加入本集團，現擔任本集團交通運輸科總經理，負責愉景灣交通及隧道之營運，彼為香港工程師學會會員。

##### Rolando P GOSIENGFIAO (53歲)

於二零零零年加入本集團。GOSIENGFIAO先生為本集團策略投資組高級總經理並負責管理GenRx Healthcare集團及英陶潔具集團之業務。彼於投資銀行、酒店及建立新業務方面積逾20年經驗。

##### Michael Gerald KEEGAN (55歲)

於一九九四年加入本集團。彼現任設於中山市的英陶潔具有限公司董事總經理兼法人代表。彼為英國物料學會之資深會員及持有英國管理學文憑。彼於國際浴室用品行業積逾30年之經驗。

### Biographical Details of Directors and Senior Management – continued

#### III Senior Management – continued

##### CHAN Ka Leung (Age 46)

Joined in 1988, Mr CHAN is the general manager of the Group's projects division. He holds a degree in Civil Engineering and a Master degree in Business Administration.

##### CHAN Yui Loon Edward (Age 65)

Joined in 1999, Mr CHAN is a director and general manager of Discovery Bay Services Management Limited, the estate manager of Discovery Bay. He is a Registered Professional Housing Manager of the Government of Hong Kong SAR, with 45 years' experience in property management.

##### CHU Ka Lok (Age 51)

Joined in 1988, Mr CHU is the general manager of the Group's transportation division and responsible for the operation of transport and tunnel in Discovery Bay. He is a member of The Hong Kong Institution of Engineers.

##### Rolando P GOSIENGFIAO (Age 53)

Joined in 2000, Mr GOSIENGFIAO is the senior general manager of the strategic investments unit and is responsible for overseeing the GenRx Healthcare Group and the Imperial Bathroom Products Group. He has over 20 years' experience in investment banking, hotels and entrepreneurial businesses.

##### Michael Gerald KEEGAN (Age 55)

Joined in 1994, Mr KEEGAN is the managing director and legal representative of Imperial Bathroom Products Ltd in Zhongshan. He is a fellow of the Institute of Materials (UK) and holds a Diploma in Management Studies (UK). He has over 30 years' experience in the international bathroom products industry.

## 董事及高級管理人員履歷－續

## III 高級管理人員－續

**Alex Duane SANFORD (44歲)**

於二零零二年加入本集團，擔任本集團之法律顧問、公司秘書及法律部及資訊科技部之部門主管。彼為普林斯頓大學哲學學士及紐約大學法律學院法學博士。彼於美國、香港及中國等地積逾17年法律事務經驗。

**蕭杰 (51歲)**

於二零零二年加入本集團，擔任上海辦事處高級總經理。彼為夏威夷大學土木工程學士、史丹福大學工商管理（財務及會計）碩士。彼亦為加利福尼亞州及紐約之執業會計師，並為美國執業會計師公會會員，於美國、尼日利亞及中國等地積逾25年專業經驗。

**鄧滿華 (49歲)**

於一九八五年加入本集團。鄧先生為項目發展科高級總經理並負責香港及中國之物業發展。彼為香港建築師學會會員、香港註冊建築師認可人士及註冊建築師。

**王慕好 (57歲)**

於二零零二年加入本集團。王女士現擔任人力資源及行政管理總經理。彼為香港人力資源管理學會資深會員及多項專業管理課程之註冊培訓導師，於服務業積逾30年經驗。

附註： 部份上述之董事及高級管理人員亦兼任本公司附屬公司、聯營公司及／或合營公司之董事職務。

## Biographical Details of Directors and Senior Management – continued

## III Senior Management – continued

**Alex Duane SANFORD (Age 44)**

Joined in 2002, Mr SANFORD is the general counsel and the function head of the Group's company secretarial & legal services and information technology departments. He is the graduate of Princeton University, Bachelor of Philosophy and New York University School of Law, Juris Doctor degree in Law. He has over 17 years' experience in law practice in various regions including USA, Hong Kong and China.

**SHIU Jee Michael (Age 51)**

Joined in 2002, Mr SHIU is the senior general manager of the Shanghai office. He is a graduate of the University of Hawaii, Bachelor of Science in Civil Engineering and Stanford University, Master of Business Administration (Finance & Accounting). He is an associate and a CPA in State of California and New York and an associate of American Institute of Certified Public Accountants. He has over 25 years' professional experience in the States, Nigeria and China.

**TANG Moon Wah (Age 49)**

Joined in 1985, Mr TANG is the senior general manager of the Group's projects division and is responsible for property development in Hong Kong and the People's Republic of China. He is a member of the Hong Kong Institute of Architects, an Authorised Person and a Registered Architect.

**WONG Mo Shu Shirley (Age 57)**

Joined in 2002, Ms WONG is the general manager of human resources & office administration. She is a fellow member of Hong Kong Institute of Human Resources Management and Certified Trainer for various professional management programmes. She has over 30 years' experience in the service industry.

Note: some of the above members of directors and senior management hold various directorships in the Company's subsidiaries, associates and/or jointly controlled entities.

### 可換股證券、認購權、認股權證或類似權利

除下文所述之行政人員優先認股計劃及認股權計劃外，本公司於二零零三年三月三十一日並無任何尚未行使之可換股證券、認購權、認股權證或類似權利。除載列於「認股權計劃」一節內尚未行使之認購權於年內之變動外，本年度內並無發行或行使任何可換股證券、認購權、認股權證或其他類似權利。

### 董事之證券權益

於二零零三年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)第29條之規定須予保存之登記冊內所載錄有關本公司各董事於本公司及其相聯法團(定義見披露權益條例)之股本或債務證券權益(如有)，或根據上市公司董事進行證券交易之標準守則(「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」)之股本或債務證券權益如下：

#### (1) 本公司之權益

董事	Director
查濟民	CHA Chi Ming
查懋聲	CHA Mou Sing Payson
鍾心田	CHUNG Sam Tin Abraham
何柏貞	HO Pak Ching Loretta
獨立非執行董事	Independent non-executive director
夏佳理	Ronald Joseph ARCULLI

### Convertible Securities, Options, Warrants or Similar Rights

Other than the executive share option schemes and the share option scheme described below, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31 March 2003. There has been no issue or exercise of any convertible securities, options, warrants or similar rights during the year except those movements during the year on the outstanding share options of the Company as described in the section headed "Share Option Schemes".

### Directors' Interests in Securities

As at 31 March 2003, the interests of the directors, if any, in the equity or debt securities of the Company and its associated corporation (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register required to be kept under Section 29 of 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 (the "Model Code") were as follows:

#### (1) Interests in the Company

	個人權益 Personal interests	普通股數目 Number of ordinary shares			其他權益 Other interests
		家族權益 Family interests	公司權益 Corporate interests		
	—	130,000 (a)	72,405,057 (b)	508,965,143 (c)	
	2,352,860	—	2,624,600 (b)	—	
	270,072	—	—	—	
	54,424	—	—	—	
	241,472	—	—	—	

## 董事之證券權益—續

## (2) 相聯法團之權益

興勝創建控股有限公司

董事	Director
查濟民	CHA Chi Ming
查懋聲	CHA Mou Sing Payson
鍾心田	CHUNG Sam Tin Abraham
何柏貞	HO Pak Ching Loretta
獨立非執行 董事	Independent non-executive director
夏佳理	Ronald Joseph ARCULLI

(a) 有關股份為劉璧如女士個人實益擁有，劉璧如女士乃查濟民先生之妻子。

(b) 該等股份由一家公司持有，根據披露權益條例，該名有關董事被視為擁有相關之權益。

(c) 有關股份由多項不可撤回酌情信託所持有，查濟民先生或其聯繫人士為該等信託列內之受益人。

除上文所列者外，若干董事以代理人名義持有本公司部份附屬公司股本中之非實益權益，主要目的是為該等附屬公司湊足法定之最低股東數目。

除上文所披露者外，於二零零三年三月三十一日，概無本公司董事或彼等之聯繫人士，於本公司或其相聯法團之股本或債務證券中，擁有須根據披露權益條例第28條或標準守則知會本公司及聯交所，或須登記於披露權益條例第29條規定存置之名冊內之權益。

## Directors' Interests in Securities – continued

## (2) Interests in associated corporation

Hanison Construction Holdings Limited

個人權益 Personal interests	普通股數目 Number of ordinary shares			其他權益 Other interests
	家族權益 Family interests	公司權益 Corporate interests		
—	16,250 (a)	9,050,632 (b)	63,620,641 (c)	
294,107	—	328,075 (b)	—	
33,758	—	—	—	
6,803	—	—	—	
30,184	—	—	—	

(a) The shares are beneficially held by Ms LIU Bie Ju, the wife of Mr CHA Chi Ming.

(b) The shares are held by a corporation in which the relevant director is deemed to be interested under the SDI Ordinance.

(c) The shares are held by irrevocable discretionary trusts of which Mr CHA Chi Ming or his associates are among the beneficiaries.

In addition to the above, certain directors hold non-beneficial interests in the share capital of some of the subsidiaries of the Company as nominee shareholders, mainly for the purpose of complying with the statutory requirement for a minimum number of shareholders for those subsidiaries.

Save as disclosed above, as at 31 March 2003, none of the directors of the Company or their associates had any interest in the equity or debt securities of the Company or of any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance or to the Model Code or which were required pursuant to Section 29 of the SDI Ordinance to be entered in the register referred therein.

### 董事之證券權益—續

#### (2) 相聯法團之權益—續

自證券及期貨條例(香港法例第571章)(「證券條例」)於二零零三年四月一日生效後，本公司接獲查懋聲先生、查懋成先生、查懋德先生及王查美龍女士通知，彼等為若干擁有本公司及上述相聯法團權益之酌情信託項下之受益人(其中包括查濟民先生及其家族成員)。查濟民先生亦通知本公司，查先生於本公司及該相聯法團擁有的控權公司權益已重新歸類為該等酌情信託下之權益。

### 董事於競爭業務中之權益

於本年度內，本公司董事於與本集團業務直接或間接競爭或可能存在競爭之業務中，擁有須根據聯交所證券上市規則(「上市規則」)作出披露之權益如下：

王查美龍女士為建業實業有限公司(「建業實業」)及漢國置業有限公司(「漢國置業」)之董事，該兩家公司之集團業務均涉及物業發展、物業投資及建築。因此，王女士被認為於該等與本集團業務競爭之業務中擁有權益。建業實業及漢國置業均於聯交所上市。

除上文所披露者外，概無本公司董事於本集團業務以外與本集團業務直接或間接競爭或可能存在競爭之任何業務中擁有權益。

### Directors' Interests in Securities – continued

#### (2) Interests in associated corporation – continued

Following the commencement of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) on 1 April 2003, the Company has received notifications from Messrs CHA Mou Sing Payson, CHA Mou Zing Victor, CHA Mou Daid Johnson and Ms WONG CHA May Lung Madeline who reported themselves as members of the class of discretionary beneficiaries comprising Mr CHA Chi Ming and his issue under certain discretionary trusts with interests in the Company and the associated corporation. Mr CHA Chi Ming also notified to the Company on the reclassification of interests under controlled corporation in relation to the interest in the Company and the associated corporation to interest under discretionary trusts.

### Directors' Interests in Competing Business

During the year, the interests of directors of the Company in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were set out as follows:

Ms WONG CHA May Lung Madeline is a director of each of Chinney Investments, Limited (“Chinney”) and Hon Kwok Land Investment Company, Limited (“Hon Kwok”) whose groups' businesses consist of property development, property investment and construction. In this respect, Ms WONG is regarded to be interested in such competing businesses of the Group. Chinney and Hon Kwok are listed on the Stock Exchange.

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

### 認股權計劃

本公司現時之認股權計劃（「二零零二年計劃」）已於二零零二年一月三日採納並於二零零二年一月十八日生效。根據上市規則之規定有關二零零二年計劃之詳情載列如下：

#### I 二零零二年計劃之摘要

##### (a) 目的

為根據二零零二年計劃已獲授認購權以認購本公司股份（「股份」）之參與者提供收購本公司資本權益之機會，並鼓勵參與者為本公司及其股東之整體利益，提高本公司及其股份之價值而努力。

##### (b) 參與者

所有本公司、其附屬公司及／或其聯營公司之董事（包括獨立非執行董事）、全職僱員及顧問均符合參與二零零二年計劃之資格。

##### (c) 最多可予發行股份之數目

根據二零零二年計劃於本年報日期（即二零零三年六月二十七日）可予發行之股份總數為115,737,802股，即為於該日已發行股份之10%。

##### (d) 每名參與者可獲權益上限

除獲本公司股東另行批准外，根據二零零二年計劃或本公司於任何十二個月期間採納之任何其他購股權計劃授予各參與者之認購權（包括已行使及尚未行使之認購權）而已發行及將予發行之股份總數不得超過已發行股份之1%。

### Share Option Schemes

The Company's existing share option scheme (the "2002 Scheme") was adopted on 3 January 2002 and became effective on 18 January 2002. Particulars of the 2002 Scheme as required under the Listing Rules are set out below:

#### I Summary of the 2002 Scheme

##### (a) Purpose

To provide the participants who have been granted options under the 2002 Scheme to subscribe for ordinary shares in the Company ("Shares") with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

##### (b) Participants

All directors (including independent non-executive directors), full-time employees and consultants of the Company, its subsidiaries and/or its associates are eligible to participate in the 2002 Scheme.

##### (c) Maximum number of Shares available for issuance

A total of 115,737,802 Shares is available for issue under the 2002 Scheme which represents 10% of the issued share capital of the Company as at the date of Annual Report (i.e. 27 June 2003).

##### (d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the option granted to each participant (including both exercised and unexercised options) under the 2002 Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the Shares in issue unless otherwise approved by shareholders of the Company.

## 認股權計劃—續

## I 二零零二年計劃之摘要—續

## (e) 可根據認購權認購股份之期限

賦予認購權之日起計十年或董事會或有關之委員會於授出認購權時所指定的較短期限。

## (f) 認購權行使前必須持有的最短期限 (如有)

於授出認購權時，董事會或有關之委員會必須指明認購權於可予行使前必須持有之最短期限 (如有)。

## (g) 接納認購權須付金額及付款的期限

須於發出認購權建議十四日內繳付1港元。

## (h) 認購權行使價的釐定基準

認購權之行使價必須不低於下列所述之較高者：

- (i) 聯交所於授出日期發出之每日報價表所述之股份收市價 (當日須為交易日)；
- (ii) 聯交所於緊接授出日期前五個聯交所交易日發出之每日報價表所述之股份平均收市價；及
- (iii) 股份於授出日期之面值。

## (i) 餘下之年期

除根據二零零二年計劃另行結束外，二零零二年計劃之有效年期為十年並於二零一二年一月三日屆滿。

## Share Option Schemes – continued

## I Summary of the 2002 Scheme – continued

(e) *Period within which the Shares must be taken up under an option*

Within ten years from the date on which option is granted or such shorter period as the Board of Directors or the relevant committee thereof may specify at the time of grant.

(f) *Minimum period, if any, for which an option must be held before it can be exercised*

At the time of granting an option, the Board of Directors or the relevant committee thereof must specify the minimum period(s), if any, for which an option must be held before it can be exercised.

(g) *Amount payable upon acceptance of the option and the period within which the payment must be made*

HK\$1.00 shall be paid within 14 days from the offer date of the option.

(h) *Basis of determining the exercise price of the option*

The exercise price of the option shall be no less than the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on the date of grant.

(i) *Remaining life*

The 2002 Scheme has a life of 10 years and will expire on 3 January 2012 unless otherwise terminated in accordance with the terms of the 2002 Scheme.

## 認股權計劃—續

## II 已授出認購權之詳情

根據本公司於一九八九年採納之認股計劃(「一九八九年計劃」)(該計劃於一九九七年十一月二十九日失效但其尚未行使之認購權直至二零零二年五月屆滿期限前仍然生效)授予本公司董事之詳情載列於「董事認購股份或債券之權利」一節內。

根據於一九九七年採納之本公司行政人員優先認股計劃並無授出任何認購權。該計劃已被取消及被二零零二年計劃所取代。自從二零零二年初生效以來，並無根據二零零二年計劃授出任何認購權。

根據一九八九年計劃已授予當時根據勞工法例被視為「持續性合約」的僱傭合約聘請的僱員(包括所有獲授予認購權之董事)於二零零三年三月三十一日止年度內之尚未行使認購權之詳情及於年內之變動如下：

## 認購權可認購本公司股份數目

授出日期 Date of grant	Number of option shares in the Company			行使期* Exercise period*	每股行使價 Exercise price per share 港元 HK\$
	於二零零二年 四月一日 As at 1/4/2002	年內註銷 Lapsed during the financial year	於二零零三年 三月三十一日 As at 31/3/2003		
19/5/1997	5,500,000	(5,500,000)	—	19/5/1998 to 18/5/2002	7.38
21/5/1997	3,300,000	(3,300,000)	—	21/5/1998 to 20/5/2002	7.59
	<u>8,800,000</u>	<u>(8,800,000)</u>	<u>—</u>		

\* 可於四年內以直線方式每年行使25%，或以遞增方式每年行使10 - 40%。

## Share Option Schemes – continued

## II Details of options granted

Details of options granted to directors of the Company under the Company's share option scheme adopted in 1989 ("1989 Scheme") (which scheme ceased to have effect on 29 November 1997 but the outstanding options thereunder remained valid until their expiries in May 2002) are set out in the section headed "Directors' Right to Acquire Shares or Debentures".

No option was granted under the Company's executive share option scheme adopted in 1997 in which the said scheme was terminated and replaced by the 2002 Scheme. No option has been granted under the 2002 Scheme since its inception in early 2002.

Particulars and movements during the year ended 31 March 2003 of the outstanding options which were granted under the 1989 Scheme to the employees (including all those directors of the Company in which options were granted) working under employment contracts that are regarded as "continuous contracts" for the purpose of the Employment Ordinance at the time of grant were as follows:

**認股權計劃—續****II 已授出認購權之詳情—續**

根據一九八九年計劃授出認購權之持有期限限制為由授出日期起計一年。除上述披露者外，於截止二零零三年三月三十一日止年度內並無認購權被取消及無於授出認購權時授予根據上市規則17.07條內所指的任何其他類別的參與者。

**董事認購股份或債券之權利**

於二零零三年三月三十一日，本公司根據一九八九年計劃以零代價授予本公司董事可認購本公司股份並登記於根據披露權益條例第29條規定存置之名冊內之尚未行使認購權詳情如下：

董事姓名	Name of director	授出日期 Date of grant	行使期* Exercise period*	每股行使價 Exercise price per share 港元 HK\$	認購權可認購本公司股份數目 Number of option shares in the Company		
					於二零零二年 四月一日 As at 1/4/2002	年內註銷 Lapsed during the financial year	於二零零三年 三月三十一日 As at 31/3/2003
查懋聲	CHA Mou Sing Payson	19/5/1997	19/5/1998 to 18/5/2002	7.38	5,500,000	(5,500,000)	—
查懋成	CHA Mou Zing Victor	21/5/1997	21/5/1998 to 20/5/2002	7.59	550,000	(550,000)	—
何柏貞	HO Pak Ching Loretta	21/5/1997	21/5/1998 to 20/5/2002	7.59	550,000	(550,000)	—

\* 可於四年內以直線方式每年行使25%，或以遞增方式每年行使10—40%。

本公司於本年度內並無根據本公司之認股計劃，向本公司董事發行任何認購權，亦無本公司董事根據本公司之認股計劃行使任何認購權。

除上文所披露者外，本公司或其任何附屬公司於本年內任何時間並無作為任何安排之參與方，致使本公司董事藉購入本公司或任何其他法人團體之股本或債券而獲益。

**Share Option Schemes – continued****II Details of options granted – continued**

The vesting period for the options granted under the 1989 Scheme is one year from the relevant date of grant. Save as disclosed above, no option was cancelled during the year ended 31 March 2003 and no option was granted to any other categories of participants as stated in rule 17.07 of the Listing Rules at the time of granting such option.

**Directors' Right to Acquire Shares or Debentures**

As at 31 March 2003, details of the outstanding options granted by the Company under the 1989 Scheme at nil consideration to the directors of the Company to subscribe for shares in the Company, as recorded in the register required to be kept under Section 29 of the SDI Ordinance were as follows:

行使期* Exercise period*	每股行使價 Exercise price per share 港元 HK\$	認購權可認購本公司股份數目 Number of option shares in the Company		
		於二零零二年 四月一日 As at 1/4/2002	年內註銷 Lapsed during the financial year	於二零零三年 三月三十一日 As at 31/3/2003
19/5/1998 to 18/5/2002	7.38	5,500,000	(5,500,000)	—
21/5/1998 to 20/5/2002	7.59	550,000	(550,000)	—
21/5/1998 to 20/5/2002	7.59	550,000	(550,000)	—

\* exercisable either on a linear scale of 25% per year or on an ascending scale of 10-40% per year over the four years' period.

There has been no issue to, or exercise by, the directors of the Company of share options under the Company's share option schemes during the year.

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 debentures of, the Company or any other body corporate.

**董事於合約及關連交易中之權益**

本集團與關連人士於截至二零零三年三月三十一日止年度內進行之重大交易詳情載於財務報表附註45。

根據上市規則，以下於截至二零零三年三月三十一日止年度內進行之交易為關連交易，並根據上市規則第十四章需作披露：

**(I) 經修訂參與協議**

根據本公司之全資附屬公司Broad Base International Limited (「Broad Base」) 與 Cagen Holdings Limited (「Cagen」) 及 Mingly Global Holdings Limited (「Mingly Global」) (Cagen 及 Mingly Global 均為查濟民先生之聯繫人士) 於二零零零年十一月九日訂立之經修訂參與協議，Cagen 獲委任為 (其中包括) 一筆由 Broad Base 於一九九四年已交予 Cagen 原本數額為1億美元之保留組合 (「保留基金」) 之管理人，任期為一固定期間並於二零零六年十二月三十一日屆滿，Cagen 於經修訂參與協議可享有之參與權益如下：

- (a) 相等於保留基金1%之管理人附帶權益 (附註)。
- (b) 保留基金每年產生之收益10%之獎勵附帶權益，惟該收益必須超出保留基金按最近期180日美國國庫債券息率加1厘計算之金額 (附註)。

附註：根據經修訂參與協議於任何一年應付予 Cagen 之總管理人附帶權益及獎勵附帶權益不得超出最近期年報所披露本集團之有形資產賬面淨值之3%。

**Directors' Interests in Contracts and Connected Transactions**

Significant transactions with related parties entered into by the Group during the year ended 31 March 2003 are disclosed in note 45 to the financial statements.

During the year ended 31 March 2003 the following constituted connected transactions under the Listing Rules and are required to be disclosed in accordance with Chapter 14 of the Listing Rules:

**(I) Revised Participation Agreement**

Pursuant to the Revised Participation Agreement dated 9 November 2000 entered into between Broad Base International Limited ("Broad Base"), a wholly-owned subsidiary of the Company, Cagen Holdings Limited ("Cagen") and Mingly Global Holdings Limited ("Mingly Global"), both of Cagen and Mingly Global are associates of Mr CHA Chi Ming, whereby Cagen was appointed as the manager for a fixed period expiring on 31 December 2006, inter alia, of the retained portfolio of a fund in the original amount of US\$100 million placed by Broad Base with Cagen in 1994 (the "Retained Fund"), Cagen is entitled to participation interest under the Revised Participation Agreement as follows:

- (a) a manager's carried interest equal to 1% of the value of the Retained Fund (note).
- (b) an incentive carried interest equals to 10% of the gain generated by the Retained Fund for each year provided that such gain exceeds an amount which the Retained Fund would have gained at the rate of the last quoted 180 days US Treasury Bill rate plus 1% (note).

Note: The aggregate manager's carried interest and incentive carried interest payable to Cagen under the Revised Participation Agreement for any one year shall not exceed an amount calculated by reference to 3% of the book value of the net tangible assets of the Group as disclosed in the immediate preceding year's annual report.

## 董事於合約及關連交易中之權益－續

## (I) 經修訂參與協議－續

截至二零零三年三月三十一日止年度，支付予Cagen之參與權益為9.6百萬港元。本年度並無應付予Cagen之獎勵附帶權益。

## (II) 建築交易及裝修交易

緊隨於興勝創建控股有限公司（「興勝創建」）分拆後，興勝創建及／或其聯繫人士已成為查濟民先生之聯繫人士，任何本公司及興勝創建及／或彼等各自之聯繫人士（視情況而定）已訂立及預期將訂立關於(a)多項建築項目（「建築交易」）；及(b)多項室內設計及裝修項目（「裝修交易」）之合同，以備興勝創建及／或其聯繫人士提供該等服務者，均按上市規則所規定被視為關連交易。

截至二零零三年三月三十一日止年度，建築交易及裝修交易之交易總額分別為516.5百萬港元及2.6百萬港元。

因上述交易(I)及(II)一直並將按持續基準進行，嚴格遵守上市規則第14章對該等關連交易之規定（「規定」）並不切實可行。本公司為此申請豁免，並獲有條件授出就上述交易（「關連交易」）嚴格遵守規定之豁免。

本公司董事（包括獨立非執行董事）已審閱上述之持續關連交易包括取得本公司核數師為該等關連交易據實調查結果後所發之函件，董事確認：

## Directors' Interests in Contracts and Connected Transactions – continued

## (I) Revised Participation Agreement – continued

The participation interest payable to Cagen for the year ended 31 March 2003 amounted to HK\$9.6 million. No incentive interest was payable to Cagen for the year.

## (II) Construction Transactions and Renovation Transactions

Upon the spin-off of Hanison Construction Holdings Limited (“HCHL”), HCHL and/or its associates became associates of Mr CHA Chi Ming and any contracts entered or to be made between the Company and HCHL and/or their respective associates (as the case may be) in relation to (a) various construction projects (“Construction Transactions”); and (b) various interior and renovation projects (“Renovation Transactions”) for services rendered by HCHL and/or its associates are treated as connected transactions as provided under the Listing Rules.

The aggregate transaction value in respect of each of the Construction Transactions and Renovation Transactions for the year ended 31 March 2003 amounted to HK\$516.5 million and HK\$2.6 million respectively.

As the above transactions (I) and (II) have been and will be conducted on an ongoing basis, it is considered that strict compliance with the relevant requirements relating to such connected transactions under Chapter 14 of the Listing Rules (“Requirements”) would be impractical. On applications by the Company, it was granted conditional waivers from strict compliance with the Requirements in respect of the aforesaid transactions (“Connected Transactions”).

The directors, including the independent non-executive directors of the Company, have reviewed the ongoing Connected Transactions described above including obtaining a letter from the Company's auditors in respect of the factual findings on the Connected Transactions and confirm that:

## 董事於合約及關連交易中之權益—續

**(II) 建築交易及裝修交易—續****(A) 該等持續關連交易是：**

- (i) 於本集團日常及一般業務過程內進行；
- (ii) 按一般商業條款或不遜於給予（或提供自）獨立第三者之條款進行；
- (iii) 按規管此等關連交易之協議所訂立之條款進行；及
- (iv) 對本公司股東而言屬公平合理。

**(B) 各項持續關連交易不超過如下文所列各自有關類別於截至二零零三年三月三十一日止年度所設定之上限金額：**

- (I) 經修訂參與協議  
本公司不時之最新經審核綜合有形資產淨值3%（或按上市規則而作出調整）
- (II) 建築交易及裝修交易  
建築交易  
以下金額較高者：
  - (i) 與勝創建集團前一個財務年度經審核綜合營業額50%；及
  - (ii) 600百萬港元
 裝修交易  
7百萬港元

**Directors' Interests in Contracts and Connected Transactions – continued****(II) Construction Transactions and Renovation Transactions – continued****(A) The ongoing Connected Transactions were:**

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms or terms no less favourable than terms available to (or from) independent third parties;
- (iii) entered into in accordance with the terms of the relevant agreement governing the Connected Transactions; and
- (iv) on a fair and reasonable basis so far as the shareholders of the Company are concerned.

**(B) In respect of each of the ongoing Connected Transactions, the aggregate amount of ongoing Connected Transactions within each such category for the year ended 31 March 2003 of the Company did not exceed the relevant cap amounts stated below:**

- (I) Revised Participation Agreement  
3% of the latest audited consolidated net tangible assets (or adjusted in accordance with the Listing Rules) of the Company from time to time
- (II) Construction Transactions and Renovation Transactions  
Construction Transactions  
The higher of:
  - (i) 50% of the audited consolidated turnover of HCHL group for the previous financial year; and
  - (ii) HK\$600 million
 Renovation Transactions  
HK\$7 million

董事於合約及關連交易中之權益－續

上述持續關連交易(II)之豁免將於二零零四年三月三十一日屆滿，本公司將於其後時間考慮向聯交所為該等持續關連交易申請豁免。

(III) 其他

如上年度所述，本公司之全資附屬公司D.B.Properties Inc.（「DBPI」）與Castro Valley Properties, Inc.（「CVPI」）同意終止一份有關合作發展位於美國加利福尼亞州聖大克拉拉縣名為The Castro Valley Ranch之物業之認購權協議。CVPI同意將首年認購權費償還予DBPI，有關之詳情已載列於財務報表附註23(c)。CVPI乃一項信託之聯繫人，該信託之酌情託管對象包括本公司主席查濟民先生。

本公司之全資附屬公司香港興業（物業）有限公司於二零零二年十一月二十七日簽署一份以存於渣打銀行香港分行一指定賬戶內存款之存款抵押，存款金額相等於有關本集團一非全資擁有附屬公司獲渣打銀行新加坡分行提供達20百萬新加坡元毋須保證循環建築貸款之未償貸款額的110%。

Directors' Interests in Contracts and Connected Transactions – continued

The waiver for the above ongoing Connected Transactions (II) will expire on 31 March 2004. The Company may consider to make an application for a waiver relating to such possible ongoing connected transactions to the Stock Exchange at a later time.

(III) Others

As reported last year, D.B. Properties Inc. (“DBPI”), a wholly-owned subsidiary of the Company, and Castro Valley Properties, Inc. (“CVPI”) have agreed to terminate an option agreement in a joint development project known as The Castro Valley Ranch in Santa Clara County, California, United States of America. CVPI has agreed to repay to DBPI the initial fee previously paid, details of which are set out in note 23(c) to the financial statements. CVPI is an associate of a trust, the discretionary objects of which include Mr CHA Chi Ming, the Chairman of the Company.

On 27 November 2002, HKR Properties Limited, a wholly-owned subsidiary of the Company entered into a charge over deposits on all monies in a specific account held with Standard Chartered Bank (“SCB”), Hong Kong branch in an amount covering 110% of the outstandings of the uncommitted revolving construction loan facility of S\$20 million granted by SCB, Singapore branch to a non-wholly owned subsidiary of the Group.

### 董事於合約及關連交易中之權益 – 續

根據上市規則第14.25(2)條，該交易構成一項向非全資附屬公司（本公司佔93.64%間接權益）提供的財務資助。交易中並無關連人士屬本公司主要股東，有關之披露要求亦獲完全遵守。

除上文所披露者外，本公司或其任何附屬公司概無訂立董事於其中直接或間接擁有重大權益而於結算日或本年度內任何時間仍然生效之任何重大合約。

### 主要股東

於二零零三年三月三十一日，按披露權益條例第16(1)條存置之登記冊之記錄，除上述披露有關各董事之權益外，本公司不知悉任何其他人士持有本公司已發行股本10%或以上之權益。

自證券條例於二零零三年四月一日生效後，本公司獲LBJ Regents Limited及CDW Holdings Limited通知，彼等各自持有本公司已發行股本5%或以上之權益。

### 捐款

本年度內，本集團之慈善及其他捐款合共約為1.8百萬港元。

### 人力資源

鑑於持續的經濟困難，本集團已進行一系列減省成本措施，並重新調配人力資源及組織架構以配合經營策略。

於二零零三年三月三十一日，本集團在香港及海外的僱員總數約為2,500名（於去年計算在內之合營公司僱員除外）（於二零零二年三月三十一日：約為2,400名）。

### Directors' Interests in Contracts and Connected Transactions – continued

Pursuant to rule 14.25(2) of the Listing Rules, such transaction constitutes a granting of financial assistance to a non-wholly owned subsidiary (of which the Company has a 93.64% indirect interest) in which no connected person is a shareholder and disclosure requirements hereof are in full compliance.

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Substantial Shareholders

As at 31 March 2003, the register maintained under section 16(1) of the SDI Ordinance shows that, other than the interests disclosed above in respect of the directors, the Company has not been notified of any interests representing 10% or more of the Company's issued share capital.

Following the commencement of the SFO on 1 April 2003, the Company has received notifications from LBJ Regents Limited and CDW Holdings Limited each of which has reported interests representing 5% or more of the Company issued share capital.

### Donations

During the year, the Group made charitable and other donations amounting to approximately HK\$1.8 million.

### Human Resources

By virtue of the continuous economic difficulties during the year, the Group has taken a series of cost saving measures to realign its structure and workforce for the Group business strategy.

As at 31 March 2003, the total number of employees of the Group (excluding employees of some jointly controlled entities which included last year) was approximately 2,500 in Hong Kong and overseas (as at 31 March 2002 : approximately 2,400).

### 人力資源 – 續

繼多項業務的收購和出售以及內部重組，於二零零三年六月二十七日的僱員總數約為2,400名。

### 購買、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購入、贖回或出售任何本公司之上市證券。

### 主要客戶及供應商

本集團五大客戶合共佔本集團營業總額30%以下。

本集團五大供應商佔本集團採購總額30%以下。

### 股份優先認購權

本公司之公司組織章程細則並無有關股份優先認購權之條文，而開曼群島之法例亦無限制此等權利。

### 最佳應用守則

董事會認為，本公司於截至二零零三年三月三十一日止年度內已遵守上市規則附錄14所載之最佳應用守則。

### 審核委員會

董事會之審核委員會於一九九八年七月成立，目前由兩位獨立非執行董事鄭家純先生（主席）及夏佳理先生組成。委員會於年內開會兩次，就其發現向董事會提出建議。委員會之主要職責包括檢討及監管本集團之財務呈報進度及內部控制制度。

### Human Resources – continued

With the various acquisitions and disposals of businesses and internal restructuring, the total number of employees of the Group as at 27 June 2003 is approximately 2,400.

### Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold 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 value of the Group's turnover.

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the total value of the Group's purchases.

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restriction against such rights under the laws in the Cayman Islands.

### Code of Best Practice

In the opinion of the directors, the Company has complied throughout the year ended 31 March 2003 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

### Audit Committee

The Audit Committee of the Board has been established since July 1998 and currently comprises two independent non-executive directors, Mr CHENG Kar Shen Henry (Chairman) and Mr Ronald Joseph ARCULLI. The Committee met 2 times in the year and made its recommendations to the Board on its findings. Its main duties include the review and supervision of the Group's financial reporting process and internal control systems.

**遵照上市規則應用指引第19項作出之披露**

於二零零三年三月三十一日，本集團向Tung Chung Station Development Company Limited (「TCS DCL」) 墊支合共2,223.4百萬港元，並就TCS DCL之銀行融資提供擔保1,240百萬港元，即為本集團為TCS DCL之銀行融資4,000百萬港元提供之個別性擔保。於二零零三年三月三十一日，TCS DCL已動用之銀行融資為3,360.0百萬港元。

TCS DCL承包發展香港大嶼山東涌站上蓋第二期發展項目，本集團則持有31%間接權益。本集團按於TCS DCL之股權比例，以後償股東貸款之方式向TCS DCL授出該筆墊款，為TCS DCL提供營運資本所需資金。該筆墊款為無抵押、年息按香港銀行同業拆息加2.0厘至2.5厘計算，且無固定還款期。於二零零三年六月三日，所有TCS DCL之實益權益股東同意並簽署一免除契約，在得到銀行的同意下，於本年度TCS DCL的資產淨值中將TCS DCL於後償股東貸款應計的利息免除。所有TCS DCL自未償還股東貸款的應付利息自二零零二年一月一日起免除直至所有實益權益股東於期後時間另有決定。墊款連同有關應計利息(如有)以後償方式授予前述向TCS DCL提供銀行貸款的銀行。

**Disclosure under Practice Note 19 of the Listing Rules**

As at 31 March 2003, the Group advanced to Tung Chung Station Development Company Limited ("TCS DCL"), an aggregate amount of HK\$2,223.4 million and a guarantee of HK\$1,240 million were provided by the Group in respect of TCS DCL's banking facilities, representing the several guarantee by the Group in respect of TCS DCL's banking facilities of HK\$4,000 million. The amount of banking facilities utilised by TCS DCL as at 31 March 2003 amounted to HK\$3,360.0 million.

TCS DCL is engaged in the development of Tung Chung Station Package II Project in Lantau Island, Hong Kong in which the Group has an indirect 31% interest. The advances were provided by the Group in the form of subordinated shareholders' loans in proportion to the Company's shareholding interest in TCS DCL, for the purpose of funding the capital working requirements of TCS DCL. The advances are unsecured, bear interest at the rate of HIBOR plus 2.0% to 2.5% per annum and have no fixed term of repayment. As agreed by all equitable shareholders of TCS DCL in a Deed of Release and Discharge entered on 3 June 2003, and with the consent from the banks, the interest accrued by TCS DCL on the subordinated shareholders' loans were released and discharged in the net asset value of TCS DCL during the year. All interests payable by TCS DCL on outstanding shareholders' loan due by TCS DCL were released and discharged as from 1 January 2002 until further determined by all equitable shareholders at a later time. The advances together with the accrued interest thereon, if any, are subordinated to the banks providing the banking facilities to TCS DCL as mentioned above.

### 遵照上市規則應用指引第19項作出之披露 — 續

此外，於二零零三年三月三十一日，本集團亦向若干聯屬公司墊款合共96.3百萬港元。

於二零零三年三月三十一日，本集團為這些聯屬公司提供之墊款及作出之擔保合共為3,559.7百萬港元，相等於本集團於二零零三年三月三十一日之綜合有形資產淨值5,579.0百萬港元之63.8%。

於二零零三年三月三十一日，此等聯屬公司之備考合併資產負債表及本集團應佔此等聯屬公司之權益概列如下：

### Disclosure under Practice Note 19 of the Listing Rules – continued

In addition, the Group also advanced to several affiliated companies at an aggregate amount of HK\$96.3 million as at 31 March 2003.

As at 31 March 2003, the aggregate amount of advances provided to, and guarantee given for these affiliated companies by the Group, amounted to HK\$3,559.7 million and represented 63.8% of the consolidated net tangible assets of the Group of HK\$5,579.0 million as at 31 March 2003.

A proforma combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 31 March 2003 were as follows:

		備考合併資產負債表 Pro forma combined balance sheet 百萬港元 HK\$'M	本集團應佔權益 Group's attributable interest 百萬港元 HK\$'M
非流動資產	Non-current assets	1,621.5	519.6
流動資產	Current assets	2,714.9	845.7
流動負債	Current liabilities	(384.6)	(122.1)
流動資產淨值	Net current assets	2,330.3	723.6
非流動負債	Non-current liabilities	(10,840.0)	(3,379.3)
股東虧損	Shareholders' deficits	(6,888.2)	(2,136.1)

### 年內交易

於二零零二年七月，本集團出售一家少數權益受投資公司的權益，實際上即出售其於日本東京汐留項目之10%權益。

### Transactions During the Year

In July 2002, the Group has disposed of its interest in a minority investee company which effectively disposed of its 10% interest in the Shiodome project in Tokyo.

### 年內交易－續

於二零零二年底，本集團與上海市靜安區政府機關簽訂明確合約，擬將位於南京西路附近的若干相連地塊重建為總樓面面積約313,000平方米之商業及住宅物業。該重建項目不單為本集團在中國大陸開拓發展業務，並將在中期內為本集團帶來合理的回報、持續收入及現金流量。

年底前，本集團向興勝創建控股有限公司（本公司之聯營公司）出售若干屬非核心業務的地段，加強了本公司的現金流量及配合重新集中調配資源於愉景灣及靜安項目的核心發展項目。

### 結算日後事項

年底以後，本集團向獨立第三者出售位於上海閘北重建項目的所有權益以獲得帳面收入。本集團已於二零零三年四月停止經營及管理於中國大陸的物業管理業務，並透過出售其於華聯興業有限公司80%權益予獨立第三者並計劃於二零零四年四月出售其餘20%權益。

在未來的數年裡，本集團所採納的策略為重組及重新調配資源至指定的核心業務。

### 核數師

本公司將於股東週年大會上提呈建議續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

承董事會命

董事總經理

查懋成

二零零三年六月二十七日

### Transactions During the Year – continued

In late 2002, the Group entered into definite agreements with the authorities of Jingan District in Shanghai to redevelop several adjacent sites around Nanjing Xi Lu into a mix of commercial and residential properties with a combined GFA of approximately 313,000 square metres. The redevelopment project not only broadens the Group's development profile on the Mainland China but is also expected to bring reasonable returns and recurring income and cashflow to the Group in the medium term.

By the close of year end, the Group disposed of its interest in certain parcels of land which were classified as non-core projects to an associated company namely Hanison Construction Holdings Limited. Such disposal strengthens the cashflow of the Company and reallocates its resources to concentrate on core development projects like Discovery Bay and Jingan project.

### Post Balance Sheet Events

Subsequent to the year end, the Group disposed of its entire interest in the Zhabei redevelopment project in Shanghai to an independent third party to make a positive book income for it. The Group also ceased to run and manage its estate management services on the Mainland China in April 2003 by disposing of its 80% interest in Asia Asset Property Services Limited to an independent third party and the remaining 20% interest in April 2004.

The Group has adopted the strategy to restructure and reorganise its resources to earmarked core businesses of the Group in coming years.

### Auditors

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

On behalf of the Board

**CHA Mou Zing Victor**

*Managing Director*

27 June 2003