

# DISCLOSURE OF FURTHER CORPORATE INFORMATION

Set out below is information disclosed pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”):

## (A) BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGERS

### (I) *Directors*

**Mr. Peter K. C. Woo**, GBS, JP, *Chairman* (Age: 56)

Mr. Woo has resumed the role of Chairman since 2002 after having formerly served as Chairman of the Company from 1986 to 1996. He is also the chairman of The Wharf (Holdings) Limited (“Wharf”).

Mr. Woo was appointed a Justice of the Peace in 1993 and awarded the Gold Bauhinia Star in 1998 by the Hong Kong SAR Government. He has for many years been actively engaged in community and related services, both locally and in the international arena, and has held various Government appointments. He has been the Government-appointed chairman of the Hong Kong Trade Development Council since October 2000 and had served as the chairman of Hospital Authority from 1995 to 2000 and the council chairman of Hong Kong Polytechnic University from 1993 to 1997. He is currently the chairman of the Hong Kong Environment and Conservation Fund Committee set up in 1994 which he co-funded with the Government. He also served as a deputy chairman in 1991 to Prince of Wales Business Leaders Forum, as a member of the International Advisory Council of J.P. Morgan Chase & Co., National Westminster Bank, Banca Nazionale del Lavoro, Elf Aquitaine of France and General Electric of America. He has received Honorary Doctorates from various universities in the USA, Australia and Hong Kong.

**Mr. Gonzaga W. J. Li**, *Senior Deputy Chairman* (Age: 74)

Mr. Li has been a Director of the Company since 1969 and became Chairman in 1996. He relinquished the title of Chairman and has assumed the title of Senior Deputy Chairman of the Company since 2002. He is also the senior deputy chairman of Wharf and the chairman of Harbour Centre Development Limited (“HCDL”), New Asia Realty and Trust Company, Limited and Marco Polo Developments Limited (“MPDL”) in Singapore and also a director of Joyce Boutique Holdings Limited (“Joyce”).

**Mr. Stephen T. H. Ng**, *Deputy Chairman* (Age: 50)

Mr. Ng has been a Director of the Company since 1988 and became the Deputy Chairman in 1995. He has been a director, president and chief executive officer of i-CABLE Communications Limited (“i-CABLE”) since 1999 and become its chairman since 2001. He is also the deputy chairman and managing director of Wharf, and a director of Joyce. He serves as a member of the Hong Kong – United States Business Council.

**Mr. Paul Y. C. Tsui**, *Executive Director (Age: 56)*

Mr. Tsui has been a Director of the Company since 1998 and became Executive Director in March 2003. He is also the senior deputy managing director of Wheelock Properties Limited, the senior managing director of Harriman Realty Company, Limited, a director of HCDL, Joyce and MPDL.

**Mr. Alexander S. K. Au**, *Director (Age: 56)*

Mr. Au was appointed a Director of the Company on 5 September 2002. He served as a member of the Exchange Fund Advisory Committee, the Banking Advisory Committee, the Hong Kong Japan Business Co-operation Committee, the Hong Kong Trade Development Council, the Insurance Advisory Committee and the Board of the Community Chest.

**Mr. B. M. Chang**, *Director (Age: 74)*

Mr. Chang has been a Director of the Company since 1969. He is also a director of several companies in Hong Kong.

**Sir S. Y. Chung**, JP, *Director (Age: 85)*

Sir Sze-Yuen Chung has been a Director of the Company since 1982. He is also the chairman of The Kowloon Motor Bus Holdings Limited. On 1 July 1997, he was awarded the Grand Bauhinia Medal by the Hong Kong SAR Government.

**Mr. William W. Y. Lee**, *Director (Age: 76)*

Mr. Lee has been a Director of the Company since 1993.

**Mr. William Turnbull**, OBE, JP, *Director (Age: 69)*

Mr. Turnbull was appointed a Director of the Company on 5 September 2002. He is also the non-executive chairman of Hong Kong Standards and Testing Centre Limited and Hong Kong Safety Institute Limited.

Note: Mr. William W. Y. Lee is a brother of Mr. Gonzaga W. J. Li.

**(II) Senior Managers**

Various businesses of the Group are respectively under the direct responsibility of the Chairman, the Senior Deputy Chairman, the Deputy Chairman and the Executive Director of the Company as named under (A)(I) above. Only those four Directors are regarded as members of the Group's senior management.

**(B) DIRECTORS' INTERESTS IN SHARES**

At 31 March 2003, Directors of the Company held the following beneficial interests in the share capital of the Company, of an associate of the Company, namely, The Wharf (Holdings) Limited ("Wharf"), and of a subsidiary of the Company, namely, New Asia Realty and Trust Company, Limited ("New Asia"):

	<b>No. of Ordinary Shares</b>	<b>Nature of Interest</b>
<b>The Company</b>		
Mr. Peter K. C. Woo	1,204,934,330	Corporate Interest in 209,712,652 shares and Other Interest in 995,221,678 shares
Mr. B. M. Chang	8,629,575	Corporate Interest
Mr. G. W. J. Li	1,486,491	Personal Interest
Mr. S. T. H. Ng	300,000	Personal Interest
<b>Wharf</b>		
Sir S. Y. Chung	348,238	Personal Interest in 189,427 shares and Corporate Interest in 158,811 shares
Mr. G. W. J. Li	686,549	Personal Interest
Mr. S. T. H. Ng	650,057	Personal Interest
<b>New Asia</b>		
Sir S. Y. Chung	94,710	Family Interest
Mr. G. W. J. Li	2,900	Personal Interest

Notes:

- (1) The 995,221,678 shares in the Company stated above as "Other Interest" against the name of Mr. Peter K. C. Woo represented an interest comprised in certain trust properties in which Mr. Woo was taken, under certain provisions of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") (which was in force as at 31 March 2003 but repealed with effect from 1 April 2003) which are applicable to a director or chief executive of a listed company, to be interested.
- (2) The shareholdings classified as "Corporate Interest" in which the Directors concerned were taken to be interested as stated above were interests of corporations at respective general meetings of which the relevant Directors were respectively entitled to either exercise (or taken under the SDI Ordinance to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.
- (3) The 209,712,652 shares of the Company stated above as "Corporate Interest" against the name of Mr. Peter K. C. Woo represented the same block of shares as that of the shareholding interest of Mrs. Bessie P. Y. Woo stated below under section (C) "Substantial Shareholders' Interests".
- (4) The 995,221,678 shares of the Company as referred to under Note (1) above represented the same block of shares as that of the shareholding interest of Bermuda Trust (Guernsey) Limited stated below under section (C) "Substantial Shareholders' Interests".

Except as disclosed above, as recorded in the register kept by the Company under section 29 of the SDI Ordinance in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SDI Ordinance or to the Model Code for Securities Transactions by Directors of Listed Companies:

- (i) there were no interests held as at 31 March 2003 by any of the Directors or Chief Executive of the Company in securities of the Company and its associated corporations (within the meaning of the SDI Ordinance), and
- (ii) there existed during the financial year no rights to subscribe for equity or debt securities of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

### (C) SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than person(s) who is/are Director or Chief Executive of the Company, which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2003 as recorded in the register kept by the Company under section 16(1) of the SDI Ordinance:

Names	No. of Ordinary Shares
(i) Mrs. Bessie P. Y. Woo	209,712,652
(ii) Bermuda Trust (Guernsey) Limited	995,221,678

Note: Duplication occurred in respect of the above-mentioned shareholding interests as set out above in Notes (3) and (4) under section (B) "Directors' Interests in Shares".

### (D) PENSION SCHEMES

The Group operates a number of pension schemes. Set out below are certain particulars regarding the principal pension scheme (the "Pension Scheme") operated by the Group:

#### (I) Nature of the Pension Scheme

The Pension Scheme is a defined contribution scheme. The assets of the Pension Scheme are held separately by an independently administered fund.

**(II) Funding of the Pension Scheme**

The Pension Scheme is funded by contributions from employees and employers. The employees and employers contribute respectively to the Pension Scheme sums which represent percentages of their salaries as defined under the relevant trust deed.

**(III) Forfeited Contributions**

The contributions are expensed as incurred and may be reduced by contributions forfeited by those employees who have left the Pension Scheme prior to vesting fully in the contributions.

**(IV) Cost of the Pension Scheme**

The employer's cost charged to profit and loss account during the year ended 31 March 2003 in respect of the Pension Scheme amounted to HK\$9.4 million. During the year, no forfeiture of employer's contributions was used to reduce current year's contribution.

Note: The total employers' pension cost in respect of all pension schemes of the Group, including the cost related to the Mandatory Provident Fund which is not operated by the Group, charged to the profit and loss account during the financial year ended 31 March 2003 amounted to HK\$20.6 million.

**(E) EXECUTIVE SHARE INCENTIVE SCHEME (the "Scheme")****(I) Summary of the Scheme****(a) Purpose of the Scheme:**

To give executives of the Group the opportunity of acquiring an equity participation in the Company, to continue to provide them with the motivation and incentive to give their best contribution towards the Company's continued growth and success.

**(b) Participants of the Scheme:**

Any employee of the Company or any of its subsidiaries holding an executive, managerial, supervisory or similar position, including a Director of the Company or any of its subsidiaries holding executive office, who accepts the offer of the grant of an option in accordance with the terms of the Scheme (the "Employee(s)").

**(c) (i) Total number of ordinary shares of HK\$0.50 each in the capital of the Company (the "Shares") available for issue under the Scheme as at 31 March 2003 :**

82,401,464

**(ii) Percentage of the issued share capital that it represents as at 31 March 2003 :**

4%

- (d) Maximum entitlement of each participant under the Scheme as at 31 March 2003 :  
Not more than:
- (i) 10% of the maximum number of Shares available for subscription under the terms of the Scheme; and
  - (ii) in terms of amount of the aggregate subscription price, such amount of aggregate subscription price in respect of all the Shares for which an Employee is granted options in any financial year as would exceed five times his or her gross annual remuneration.
- (e) Period within which the Shares must be taken up under an option:  
Within 10 years from the date on which the option is granted or such shorter period as the Board of Directors may approve.
- (f) Minimum period for which an option must be held before it can be exercised:  
One year from the date on which the option is granted.
- (g) (i) Price payable on application or acceptance of the option:  
HK\$1.00
- (ii) The period within which payments or calls must or may be made or loans of such purposes must be repaid:  
Seven days after the offer date of an option.
- (h) Basis of determining the exercise price:  
Pursuant to rule 17.03 (9) of the Listing Rules, the exercise price must be at least the higher of:
- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
  - (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.
- (i) The remaining life of the Scheme:  
Five years

## **(II) Details of Share Options Granted**

At the beginning of the financial year, there were outstanding certain share options previously granted on 14 April 1992 under the Scheme to one employee (not being a Director or Chief Executive of the Company and not being a participant with options granted in excess of the individual limit) working under an employment contract which is regarded as a “continuous contract” for the purposes of the Employment Ordinance. Such options were exercisable during the period 13 April 1995 to 12 April 2002, and on full exercise would require the Company to allot 92,000 new shares to the grantee at an exercise price of HK\$5.50 per share. The options were exercised in full by that employee on a day falling in the year under review and as a result, 92,000 new shares of the Company were accordingly allotted and issued to that employee. The closing price of the shares of the Company immediately before the date of such option exercise was HK\$6.25 per share.

Except as disclosed above, no share option of the Company was issued, exercised, cancelled, lapsed or outstanding throughout the financial year.

## **(F) MAJOR CUSTOMERS & SUPPLIERS**

For the financial year ended 31 March 2003 :

- (a) the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group’s five largest suppliers represented 62% of the Group’s total purchases;
- (b) the largest supplier accounted for 28% of the Group’s total purchases;
- (c) none of the Directors of the Company or their associates holds, nor does any shareholder owning (to the knowledge of the Directors) more than 5% of the Company’s equity capital hold, any interests in any of the Group’s five largest suppliers; and
- (d) the aggregate amount of turnover attributable to the Group’s five largest customers represented less than 30% of the Group’s total turnover.

## (G) DISCLOSURE OF CONNECTED TRANSACTIONS

Set out below is information in relation to certain connected transactions involving the Company and/or its subsidiaries required under the Listing Rules of the Stock Exchange to be disclosed in the Annual Report and Accounts of the Company:

### (I) *Disposal of Lane Crawford and Joyce*

Pursuant to two Sale and Purchase Agreements both entered into on 14 February 2003, a wholly-owned subsidiary of the Company agreed to dispose of its retail businesses portfolio, comprising (1) the entire equity interest in LC Investment Partners Limited (“LCI”) and its subsidiaries (the “LCI Sale”) and (2) approximately 52% attributable interest in Joyce Boutique Holdings Limited and its subsidiaries (the “Joyce Sale”) to Wisdom Gateway Limited (“Wisdom Gateway”).

Wisdom Gateway is wholly owned by a trust of which Mr. Peter Woo was the settlor and of which certain close relatives of Mr. Peter Woo are discretionary objects. As Mr. Peter Woo is the Chairman, a Director and a substantial shareholder of the Company and accordingly a connected person of the Company under the Listing Rules, the entry into of the two Sale and Purchase Agreements for the LCI Sale and the Joyce Sale constituted connected transactions for the Company under the Listing Rules. The disposal allows the Company to further focus on its core businesses and competencies of property and infrastructure.

The consideration of HK\$422.8 million for the LCI Sale was wholly received in cash on completion of the LCI Sale which took place immediately after the signing of the Sale and Purchase Agreement for the LCI Sale, and the consideration of HK\$156.2 million for the Joyce Sale was wholly received in cash on 14 March 2003, being the date of completion of the Joyce Sale.

### (II) *Tenancy Agreement with Lane Crawford*

There existed during the financial year a tenancy agreement between a wholly-owned subsidiary of the Company as the landlord and Lane Crawford (Hong Kong) Limited, a wholly-owned subsidiary of LCI (which was sold on 14 February 2003 to Wisdom Gateway as abovementioned), as the tenant, in respect of certain retail premises known as Basement, Ground Floor to Sixth Floor and Rooms 706-8A of Lane Crawford House, with a total lettable area of 76,578 square feet for a term of three years from 1 July 2000 to 30 June 2003.

As the tenant is an associate (as defined in the Listing Rules) of Mr. Peter Woo and therefore is a connected person of the Company, the transaction became a connected transaction for the Company upon the tenant becoming an associate of Mr. Peter Woo on completion of the LCI Sale.

The estimated approximate annual rent, exclusive of service fee, government rates and other charges, received or receivable under the tenancy agreement in the year ended 31 March 2003 amounted to HK\$32.4 million.



### **(III) Privatisation of Realty Development Corporation Limited (“RDC”)**

In December 2002, New Asia Realty and Trust Company, Limited (“New Asia”), a 74.2%-owned listed subsidiary of the Company, proposed to privatise RDC by way of a Scheme of Arrangement under Section 166 of the Companies Ordinance (the “Scheme”). The privatisation became effective on 19 March 2003, as a result of which 20,067,506 shares of RDC held by a wholly-owned subsidiary of the Company, namely, Frexon Limited, immediately before the privatisation were cancelled under the Scheme, and a total consideration of approximately HK\$64.2 million (on the basis of HK\$3.2 per RDC share) was received in cash by Frexon Limited on 21 March 2003. As New Asia is technically regarded as a connected person of the Company under the Listing Rules, the transaction concerning Frexon Limited constituted a connected transaction for the Company.

Note: Certain particulars of the Related Party Transactions entered into by the Group during the financial year have been disclosed in Note 31 to the Accounts on page 65. Such Related Party Transactions also constituted connected transactions (as defined under the Listing Rules) for the Company as disclosed above.

### **(H) INTEREST CAPITALISED**

The amount of interest capitalised by the Group during the financial year is set out in Note 6 to the Accounts on page 51.

### **(I) PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year.

### **(J) FREQUENCY OF DIRECTORS’ MEETINGS**

During the financial year under review, eight Directors’ Meetings were held, of which four were regular meetings and four were ad hoc meetings.

### **(K) COMPLIANCE WITH CODE OF BEST PRACTICE**

The Company has complied throughout the financial year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange.