

## **Other Corporate Information**

### **MAJOR CUSTOMERS AND SUPPLIERS**

For the financial year ended 31 December 2000:

- (a) the aggregate amount of purchases attributable to the Group's five largest suppliers represented 54% of the Group's total purchases with the largest supplier accounting for 40% of the Group's total purchases.

The directors, Messrs Ho Kian Guan, Ho Kian Hock and Ho Kian Cheong have an interest in the largest supplier of the Group. Save as disclosed above, at 31 December 2000, none of the directors, their associates or shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the above five largest suppliers.

- (b) the aggregate amount of turnover attributable to the Group's five largest customers represented 11% of the Group's total turnover.

### **FINANCIAL REVIEW**

The Group's turnover was HK\$104,829,000, a decrease of 72% over the previous year, which resulted mainly from reduction in property sales by HK\$280,148,000. Profit attributable to shareholders amounted to HK\$6,948,000, a decrease of 83% as compared to previous year.

The Group's net borrowings as at 31 December 2000 amounted to approximately HK\$562,849,000, representing total bank loans and other borrowings of HK\$640,342,000 less cash equivalents of HK\$77,493,000. The Group's ratio of net borrowings to total assets was 24%. The Group's borrowings are subject to floating interest rates. Of the total amount of bank borrowings of HK\$272,637,000, 32% are repayable within the next year, 30% are repayable between the second and fifth years, with the remaining balance repayable after the fifth year. The Group does not have significant foreign exchange exposure as most of the Group's borrowings are in Hong Kong dollars and United States dollars. Other borrowings in Renminbi are matched by revenues in the respective currency. The Group will continue its financial strategy of reducing its borrowings as appropriate. Taking into account available credit facilities and cash in hand, the Group has sufficient working capital for its present requirements.

### **PLEDGE OF ASSETS**

As at 31 December 2000, the secured bank loan facilities granted to the Group were secured by mortgages over the Group's properties with an aggregate carrying value of approximately HK\$813 million. In addition, shares in a subsidiary were pledged to a bank as part of security given to secure bank loan facilities granted.

## **Other Corporate Information** (continued)

### **CONTINGENT LIABILITIES**

As at 31 December 2000, there were outstanding counter indemnities relating to guarantees issued by a subsidiary's bankers in favour of the Macau SAR Government in respect of properties under development amounting to HK\$6,311,000. At 31 December 2000, guarantees given by the Company to banks to secure banking facilities made available to the subsidiaries and an associate amounted to HK\$183,088,000 and HK\$53,819,000 respectively.

A dispute arose between a subsidiary and the main contractor of a hotel development project and the matter has been referred to arbitration in accordance with the terms of the construction agreement. Having regard to legal advice, the directors are of the view that the subsidiary is not likely to, as a result of arbitration proceedings, incur additional liabilities in excess of that contemplated in the construction contract.

### **DETAILS OF DIRECTORS AND SENIOR MANAGEMENT PROFILES**

**Mr Ho Kian Guan**, aged 55, is the Chairman of the Company. He was appointed as a director of the Company on 5 December 1979. He is also a director of Goodland Limited and Kansas Holdings Limited which are substantial shareholders of the Company and the Chairman and director of Keck Seng (Malaysia) Berhad (a company listed on the Kuala Lumpur Stock Exchange). He also serves on the board of Shangri-La Asia Limited (a company listed on the Hong Kong Stock Exchange). He is a brother of Mr Ho Kian Hock and Mr Ho Kian Cheong.

**Mr Ho Kian Hock**, aged 54, is the Vice-Chairman of the Company. He was appointed as a director of the Company on 19 December 1979. He is also a director of Goodland Limited and Kansas Holdings Limited which are substantial shareholders of the Company and a Managing Director of Keck Seng (Malaysia) Berhad (a company listed on the Kuala Lumpur Stock Exchange). He is a brother of Mr Ho Kian Guan and Mr Ho Kian Cheong.

**Mr Ho Kian Cheong**, aged 51, is the Managing Director of the Company. He was appointed as a director of the Company on 5 December 1979. He is also a director of Goodland Limited and Kansas Holdings Limited which are substantial shareholders of the Company and Keck Seng (Malaysia) Berhad (a company listed on the Kuala Lumpur Stock Exchange). He is also an alternate director of Shangri-La Asia Limited (a company listed on the Hong Kong Stock Exchange). He is a brother of Mr Ho Kian Guan and Mr Ho Kian Hock.

**Mr Paul Tse See Fan**, aged 47, is an executive director of the Company. He was appointed as a director of the Company on 5 December 1979. He is also a director of Goodland Limited and Kansas Holdings Limited, companies which are substantial shareholders of the Company.

## **Other Corporate Information** (continued)

**Dr Robin Chan Yau Hing**, GBS, LLD, JP, aged 68, is an independent non-executive director of the Company. He was appointed as a director of the Company on 8 September 1988. He is also the Chairman and Managing Director of Asia Financial Holdings Limited (a company listed on the Hong Kong Stock Exchange), the Chairman and Chief Executive Officer of Asia Commercial Bank Ltd., the Chairman of Asia Insurance Company, Limited, and the Chairman of Asia Investment Services Limited. He is also a director and adviser of numerous other companies with over 40 years experience in banking business. Dr Chan was awarded the Order of Commander (Third Class) of the Most Exalted Order of the White Elephant by His Majesty, the King of Thailand. He is also a Deputy to the Chinese National People's Congress, the Chairman of the Chinese General Chamber of Commerce, Hong Kong and the Chairman of Bank Consortium Holding Limited.

**Mr Arthur Kwok Chi Shun**, aged 55, is an independent non-executive director of the Company. He was appointed as a director of the Company on 3 January 1995. He is a professional architect with extensive architectural, town planning and interior design experience and has wide business interests in property development, merchandise retailing and wholesale. He is also the Commandant of Hong Kong Auxiliary Police Force.

**Mr Wong Yau See**, aged 66, was a non-executive director of the Company. He was appointed as a director of the Company since 5 December 1979 until he passed away on 19 February 2001. He was also a director of Goodland Limited which is a substantial shareholder of the Company.