

## 董事會報告書

### 董事於合約及關連交易中之權益

於本年度內，本集團與本公司主席查濟民先生之聯繫人士簽訂若干協議：

(i) 獨家市場推廣及租賃協議及管理協議

本公司之全資附屬公司興勝管理有限公司（「興勝管理」），與本公司主席查濟民先生之聯繫人士CDW Building Limited（「CDW Company」），於二零零零年八月十日簽訂一項獨家市場推廣及租賃協議，據此，興勝管理獲委任為CDW Company（其為中國染廠大廈（一幢位於香港荃灣之27層高工業大廈）之業主）之獨家市場推廣及租賃代理，為中國染廠大廈提供租賃、市場推廣及其他服務，協議由簽訂日期計起為期一年，於屆滿時自動續期，直至及除非遭終止為止。

同日，本公司之間接全資附屬公司興怡物業服務有限公司（「興怡物業」），與CDW Company簽訂一項管理協議，據此，興怡物業獲委任為中國染廠大廈之管理人，協議由簽訂日起計，為期一年，於屆滿時自動續期，直至及除非遭終止為止。預計興怡物業根據管理協議之現有條款（每年續新），向CDW Company收取有關之管理費，估計為本公司不時之綜合有形資產淨值賬面值0.03%以下。

截至二零零一年三月三十一日止年度，本集團向CDW Company收取之市場推廣及租賃代理服務費及管理費分別為0.8百萬港元及0.04百萬港元。

## Directors' Report

### Directors' interests in contracts and connected transactions

During the year, the Group entered into certain agreements with the associates of Mr Cha Chi Ming, the Chairman of the Company:

(i) Sole Marketing and Leasing Agreement and Management Agreement

A sole marketing and leasing agreement dated 10 August 2000 was entered into between Hanison Management Limited ("Hanison Management"), a wholly-owned subsidiary of the Company, and CDW Building Limited ("CDW Company"), an associate of Mr Cha Chi Ming, the Chairman of the Company, in which Hanison Management was appointed as the sole marketing and leasing agent of CDW Company (which is the leasehold owner of CDW Building, a 27-storey industrial building located at Tsuen Wan, Hong Kong) providing leasing, marketing and other services thereto for the CDW Building for a term of one year commencing from the date of the agreement and renewable automatically upon expiry thereof until and unless otherwise terminated.

On the same date, Wells Estate Services Limited ("Wells Estate"), an indirect wholly-owned subsidiary of the Company, entered into a management agreement with CDW Company whereas Wells Estate was appointed as the Manager of CDW Building for a term of one year commencing from the date of the agreement and renewable automatically upon expiry thereof until and unless otherwise terminated. It is expected that such manager's fee to be received by Wells Estate from CDW Company under the existing term of management agreement (i.e. one year renewable yearly) was estimated to be less than 0.03% of the book value of the consolidated net tangible assets of the Company as from time to time.

The marketing and leasing agency service fee and manager's fee received by the Group from CDW Company for the year ended 31 March 2001 amounted to HK\$0.8 million and HK\$0.04 million respectively.

## 董事會報告書

### 董事於合約及關連交易中之權益 (續)

#### (II) 出售部份Broad Base Fund及經修訂參與協議

如去年度所述，本公司之全資附屬公司Broad Base International Limited (「Broad Base」)與查濟民先生之聯繫人士Cagen Holdings Limited (「Cagen」)訂立了一項參與協議，據此，Cagen同意作為由Broad Base於一九九四年已交予Cagen之一筆為數1億美元款項(「Broad Base Fund」)之管理人。Cagen擔任Broad Base Fund管理人之任期，由一九九七年一月一日起生效，為期五年。於一九九九年十二月二十三日，Broad Base與Cagen訂立協議，按上述參與協議之相同條款，進一步延長任期五年，由二零零二年一月一日至二零零六年十二月三十一日為止。

於二零零零年十一月九日，本公司及Broad Base與查濟民先生之聯繫人士Mingly Global Holdings Limited (「Mingly Global」)及Cagen簽訂一項協議，據此Broad Base向Mingly Global出售其於一項私人、長期創業基金及槓桿式收購基金組合(構成原本由Cagen管理之Broad Base Fund其中一部份)之一半實益權益，另一半實益權益則售予Cagen，總代價約為675.8百萬港元。

同日，Broad Base、Mingly Global及Cagen簽訂一項經修訂參與協議，委任Cagen為(其中包括)Broad Base Fund保留組合(「保留基金」)之管理人。

上述交易於二零零一年一月二日召開之股東特別大會上經股東正式批准。

Cagen於經修訂參與協議(或倘適用，原本之參與協議)可享有之參與權益如下：

- (a) 相等於保留基金(或倘適用，Broad Base Fund價值)1%之管理人附帶權益(附註)。

## Directors' Report

### Directors' interests in contracts and connected transactions (cont'd)

#### (II) Partial Disposal of Broad Base Fund and Revised Participation Agreement

As reported last year, Broad Base International Limited ("Broad Base"), a wholly-owned subsidiary of the Company, has a Participation Agreement with Cagen Holdings Limited ("Cagen"), an associate of Mr Cha Chi Ming. Pursuant to the agreement, Cagen acts as manager of a fund in the amount of US\$100 million which was originally placed by Broad Base with Cagen in 1994 ("Broad Base Fund"). The appointment of Cagen as the manager of the Broad Base Fund is for a fixed period of five years with effect from 1 January 1997. On 23 December 1999, Broad Base entered into an agreement with Cagen to extend the term of appointment for a further five years from 1 January 2002 to 31 December 2006 on the same terms as set out in the above Participation Agreement.

On 9 November 2000, the Company and Broad Base entered into an agreement with Mingly Global Holdings Limited ("Mingly Global"), an associate of Mr Cha Chi Ming, and Cagen for disposal of its beneficial interests in a portfolio of private, long-term venture capital and leveraged buy-out funds (which formed part of the Broad Base Fund originally under the management of Cagen) as to one half to Mingly Global and one half to Cagen for total consideration of approximately HK\$675.8 million.

On the same date, Broad Base, Mingly Global and Cagen entered into a Revised Participation Agreement appointing Cagen as the manager, inter alia, of the retained portfolio of the Broad Base Fund (the "Retained Fund").

The above transactions were duly approved by the shareholders at the Extraordinary General Meeting of the Company on 2 January 2001.

Cagen is entitled to participation interest under the Revised Participation Agreement, or the original Participation Agreement if appropriate, as follows:

- (a) a manager's carried interest equal to 1% of the value of the Retained Fund (or the Broad Base Fund if appropriate) (note).

## 董事會報告書

### 董事於合約及關連交易中之權益 (續)

#### (II) 出售部份Broad Base Fund及經修訂參與協議 (續)

- (b) 保留基金(或Broad Base Fund, 如適用)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(或Broad Base Fund, 如適用)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或原本之參與協議(如適用)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%。

截至二零零一年三月三十一日止年度, 支付予Cagen之參與權益為13.6百萬港元。本年度並無應付予Cagen之獎勵權益。

#### (III) 維修、翻新及保養協議

本公司之全資附屬公司興勝室內及維修有限公司(「興勝室內」)及CDW Company於二零零一年二月十七日簽訂一項維修、翻新及保養協議, 據此, 興勝室內獲委任為非獨家承建商, 承包中國染廠大廈若干維修、翻新及保養工程, 由簽訂協議日期起為期一年, 於屆滿時自動續期。

截至二零零一年三月三十一日止年度, 興勝室內向CDW Company收取維修、翻新及保養項目之監督及承包費為0.2百萬港元。

## Directors' Report

### Directors' interests in contracts and connected transactions (cont'd)

#### (II) Partial Disposal of Broad Base Fund and Revised Participation Agreement (cont'd)

- (b) an incentive carried interest equals to 10% of the gain generated by the Retained Fund (or the Broad Base Fund if appropriate) for each year provided that such gain exceeds an amount which the Retained Fund (or the Broad Base Fund if appropriate) 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, or the original Participation Agreement if appropriate, 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.

The participation interest payable to Cagen for the year ended 31 March 2001 amounted to HK\$13.6 million. No incentive interest was payable to Cagen for the year.

#### (III) Repairs, Renovation and Maintenance Agreement

A repairs, renovation and maintenance agreement dated 17 February 2001 was entered into between Hanison Interior & Renovation Limited ("Hanison Interior"), a wholly-owned subsidiary of the Company, and CDW Company, in which Hanison Interior was appointed as the non-exclusive contractor to perform certain repairs, renovation and maintenance works on CDW Building for a term of one year commencing from the date of agreement and renewable automatically upon expiry thereof.

Supervision and contractor fee on repairs, renovation and maintenance projects received by Hanison Interior from CDW Company for the year ended 31 March 2001 amounted to HK\$0.2 million.

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### 董事於合約及關連交易中之權益 (續)

上述第(I)至第(III)項交易(不包括由興怡物業訂立之管理協議及出售部份Broad Base Fund)將按持續基準進行,然而,嚴格遵守上市規則第14章對該等關連交易之規定(「規定」)乃不設實際。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)已審閱上述之關連交易,經考慮本公司核數師為遵守授出豁免而須發出之函件內所載之據實調查結果後,董事確認:

(A) 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獨立第三者(或由獨立第三者給予)之條款進行;
- (iii) 按規管此等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。

## Directors' Report

### Directors' interests in contracts and connected transactions (cont'd)

As the above transactions (I) to (III) (except in the case of entering into management agreement by Wells Estate and partial disposal of Broad Base Fund) 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 application by the Company, it was granted a conditional waiver 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 Connected Transactions described above and, having considered the letter from the Company's auditors in respect of the factual findings on the Connected Transactions in compliance with the waiver granted, confirmed that:

(A) The Connected Transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms or on 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 these transactions; and
- (iv) on a fair and reasonable basis so far as the shareholders of the Company are concerned.

## 董事會報告書

## Directors' Report

### 董事於合約及關連交易中之權益 (續)

### Directors' interests in contracts and connected transactions (cont'd)

- (B) 各項關連交易不超過如下文所列各自有關類別於截至二零零一年三月三十一日止年度所設定之上限金額(「上限金額」)：

- (B) In respect of each of the Connected Transactions, the aggregate amount of Connected Transactions within each such category for the year ended 31 March 2001 of the Company did not exceed the relevant cap amounts (the "Cap Amounts") stated below:

交易編號(如上所列)

Transaction No. (as listed above)

上限金額

Cap Amount

- I (不包括與怡物業訂立之管理協議)  
(except the entering into management agreement by Wells Estate)

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)  
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 (不包括出售部份Broad Base Fund)  
(except the partial disposal of Broad Base Fund)

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)  
3% of the latest audited consolidated net tangible assets  
(or adjusted in accordance with the Listing Rules) of the Company  
from time to time

III

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)  
3% of the latest audited consolidated net tangible assets  
(or adjusted in accordance with the Listing Rules) of the Company  
from time to time

此外，截至二零零一年三月三十一日止年度，本公司根據The Mingly Corporation Limited(「名力」)私有化計劃，向查濟民先生之聯繫人士Hong Lok International Limited出售346,400,000股名力股份，代價為242.5百萬港元。

In addition, during the year ended 31 March 2001, the Company disposed of 346.4 million shares in The Mingly Corporation Limited ("Mingly") at a consideration of HK\$242.5 million to Hong Lok International Limited, an associate of Mr Cha Chi Ming, pursuant to the privatisation plan of Mingly.

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22(b)。CVPI乃一項信託之聯繫人，該信託之全權託管對象包括本公司主席查濟民先生。

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 of a property 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 22(b) 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.

## 董事會報告書

### 董事於合約及關連交易中之權益 (續)

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協議。

### 主要股東

於二零零一年三月三十一日，按披露權益條例第16(1)條存置之主要股東登記冊之記錄，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。

### 捐款

本年度內，本集團之慈善及其他捐款合共約為1.6百萬港元。

### 人力資源

於二零零一年三月三十一日，本集團在香港及海外之僱員總數約為2,500名(於二零零零年三月三十一日：約為2,000名)。

本集團旨在確保薪酬及福利政策之計劃及執行符合公平貫徹之原則，並按表現及市場情況付酬。

本集團投資於人材培訓，透過向員工提供內部培訓計劃及資助外出報讀其他課程，不斷積極栽培員工技能及專長，以配合目前及日後之增長。

## Directors' Report

### Directors' interests in contracts and connected transactions (cont'd)

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 2001, the register of substantial shareholders 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.

### Donations

During the year, the Group made charitable and other donations amounting to approximately HK\$1.6 million.

### Human Resources

As at 31 March 2001, the total number of employees of the Group was approximately 2,500 in Hong Kong and overseas (as at 31 March 2000: approximately 2,000).

The Group ensures the design and implementation of the remuneration policy consistent with the general principles of fairness and consistency, pay for performance and market competitiveness.

The Group invests in people and strives to continually develop employees' skills and competencies for the current and future growth by providing internal training programmes and external course sponsorship to its staff.

## 董事會報告書

### 購買、出售或贖回上市證券

本年度內，本公司於二零零零年六月贖回所有已到期而未償還之附屬債券，本金額為2,469.6百萬港元，詳情已載於財務報表附註27。除上文所述外，本公司或其任何附屬公司於年內概無購入、贖回或售出任何本公司之上市證券。

### 主要客戶及供應商

本年度內，本集團向查濟民生先之聯繫人士出售若干證券投資，其為部份Broad Base Fund及名力股份，詳情已載於「董事於合約及關連交易中之權益」一節。除上述者外，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，本公司於截至二零零一年三月三十一日止年度內已遵守香港聯合交易所有限公司證券上市規則附錄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。委員會於年內開會三次，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。

## Directors' Report

### Purchase, sale or redemption of listed securities

During the year, the Company redeemed all outstanding subordinated bonds in the principal amount of HK\$2,469.6 million upon their maturity in June 2000, details of which are set out in note 27 to the financial statements. Save as disclosed above, 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

During the year, the Group disposed of certain investments in securities, namely certain portion of the Broad Base Fund and the Mingly shares, to associates of Mr Cha Chi Ming as described in the section headed "Directors' Interests in Contracts and Connected Transactions". Other than the above, 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 restrictions 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 2001 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.

### 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 Shun Henry (Chairman) and Mr Ronald Joseph Arculli. The Committee met three 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.

## 董事會報告書

### 遵照上市規則應用指引第19項作出之披露

於二零零一年三月三十一日，本集團向Tung Chung Station Development Company Limited (「TCSDDL」) 墊支合共1,621.7百萬港元(未計算一項1,367.8百萬港元之撥備，相等於本集團應佔東涌項目之減值虧損部份)，並就TCSDDL之銀行融資提供擔保18億港元，即為本集團為TCSDDL之銀行融資60億港元提供之個別性擔保。於二零零一年三月三十一日，TCSDDL已動用之銀行融資為3,832百萬港元。

TCSDDL為本集團佔30%權益之聯營公司，該公司承包發展香港大嶼山東涌站上蓋第二期發展項目。本集團按於TCSDDL之股權比例，以後償股東貸款之方式向TCSDDL授出該筆墊款，為TCSDDL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。該筆墊款連應計利息於TCSDDL償還上文所述之銀行融資後償還。

此外，於二零零一年三月三十一日，本集團亦向若干聯營公司墊款合共96.1百萬港元。

於二零零一年三月三十一日，本集團為這些聯屬公司提供之墊款及就銀行融資作出之擔保合共為3,517.8百萬港元，相等於本集團於二零零一年三月三十一日之綜合有形資產淨值6,329.3百萬港元之55.6%。

## Directors' Report

### Disclosures under practice note 19 of the Listing Rules

As at 31 March 2001, the Group advanced to Tung Chung Station Development Company Limited ("TCSDDL") an aggregate amount of HK\$1,621.7 million (before a provision of HK\$1,367.8 million, representing the Group's attributable share of impairment losses of Tung Chung Project of the Group) and a guarantee of HK\$1,800 million was provided by the Group in respect of TCSDDL's banking facilities, representing the several guarantee by the Group in respect of TCSDDL's banking facilities of HK\$6,000 million. The amount of banking facilities utilised by TCSDDL as at 31 March 2001 amounted to HK\$3,832 million.

TCSDDL is a 30% owned associate of the Group, which is engaged in the development of Tung Chung Station Package II Project in Lantau Island, Hong Kong. The advances were provided by the Group in the form of subordinated shareholders' loans in proportion to the Company's shareholding interest in TCSDDL, for the purpose of funding the capital working requirements of TCSDDL. 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. The advances together with the accrued interest thereon are subordinated to the banks providing the banking facilities to TCSDDL as mentioned above.

In addition, the Group also advanced to several associates at an aggregate amount of HK\$96.1 million as at 31 March 2001.

As at 31 March 2001, the aggregate amount of advances provided to, and guarantee given for these affiliated companies by the Group, amounted to HK\$3,517.8 million and represents 55.6% of the consolidated net tangible assets of the Group of HK\$6,329.3 million as at 31 March 2001.



# 董事會報告書

# Directors' Report

## 遵照上市規則應用指引第19項作出披露(續)

## Disclosures under practice note 19 of the Listing Rules (cont'd)

於二零零一年三月三十一日，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：

A proforma combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 31 March 2001 are presented below:

		備考合併資產負債表 Proforma 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	8,815.4	2,673.0
流動資產	Current assets	13.4	4.7
流動負債	Current liabilities	335.4	139.2
流動負債淨值	Net current liabilities	(322.0)	(134.5)
非流動負債	Non-current liabilities	(11,147.1)	(3,344.1)
股東虧損	Shareholders' deficits	(2,653.7)	(805.6)

## 核數師

## Auditors

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。

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

承董事會命

On behalf of the Board

董事總經理

CHA Mou Sing Payson

查懋聲

Managing Director

二零零一年六月二十二日

22 June 2001