

## **Other Corporate Information**

### **MAJOR CUSTOMERS AND SUPPLIERS**

For the financial year ended 31 December 2001:

- (a) the aggregate amount of purchases (not including purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases; and
- (b) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in any of the major customers and suppliers referred to above.

### **FINANCIAL REVIEW**

The Group's turnover was HK\$246,589,000 for the year ended 31 December 2001, an increase of 135% over the corresponding period in 2000. This increase was due primarily to higher revenue generated by sale of properties in Macau. Profit from operations was HK\$3,905,000 for the year ended 31 December 2001 as compared to a loss of HK\$28,901,000 in 2000. Profit attributable to shareholders amounted to HK\$27,293,000.

The Group's net borrowings as at 31 December 2001 amounted to approximately HK\$507,083,000, representing total bank loans and other borrowings of HK\$566,183,000 less cash equivalents of HK\$59,100,000. The Group's ratio of net borrowings to total assets was 23%. Of the total amount of bank borrowings of HK\$260,723,000, HK\$87,784,000 are repayable within twelve months and the remaining of HK\$172,939,000 are repayable within two to five years.

The Group's borrowings are in Hong Kong dollars and United States dollars. Other borrowings are in Renminbi and are matched by revenues in that currency. Cash and cash equivalents are also mostly in Hong Kong dollars and United States dollars. Most of the Group's bank borrowings are on a floating rate basis. Taking into account cash in hand and available credit facilities, the Group has sufficient working capital for its present requirements.

### **PLEDGE OF ASSETS**

As at 31 December 2001, the secured bank loan facilities granted to the Group were secured by mortgages over certain investment, hotel and other properties of the Group with aggregate carrying value of HK\$435 million and certain properties held for sale of the Group of HK\$216 million.

In addition, shares in a subsidiary were pledged to a bank as part of security given to secure a bank loan. As at 31 December 2001, shares in an associate were pledged to a bank by a subsidiary of the Group in return for banking facilities granted to that associate.

## **Other Corporate Information** (Continued)

### **CONTINGENT LIABILITIES**

As 31 December 2001, there were outstanding counter indemnities relating to guarantees issued by a subsidiary' bankers in favour of the Macau SAR Government in respect of properties under development amounting to HK\$6,311,000. As at 31 December 2001, guarantees given by the Company to banks to secure banking facilities made available to the subsidiaries and associates amounted to HK\$183.1 million and HK\$50.8 million respectively.

At 31 December 2001, guarantees given by a subsidiary to a bank to secure banking facilities made available to its associate amounted to HK\$32.6 million.

Pursuant to the revised agreement with the Macau Government on 6 August 1999, one of the subsidiaries of the Group was required to complete the remaining phases of a development project by various specified dates up to 31 December 2001.

On 5 October 2001, the Macau SAR Government agreed to extend the final completion date up to 31 December 2003 without any penalty. While failure to complete the remaining phases of the development would give rise to the possibility of fines to be imposed by the Macau SAR Government up to 180 days of delay in a manner more particularly described in note 27(c) on the financial statements, the directors are confident that the remaining phases of the development project will be completed by the revised deadline date of 31 December 2003. Delays beyond the 180-day period would give rise to the possibility of rescission of the lease by the Macau SAR Government without compensation to the subsidiary.

## **Other Corporate Information** (Continued)

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

**Mr Ho Kian Guan**, aged 56, 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 55, 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 52, 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 48, 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.

**Dr Robin Chan Yau Hing**, GBS, LLD, JP, aged 69, 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 and the Chairman of the Chinese General Chamber of Commerce, Hong Kong.

**Mr Arthur Kwok Chi Shun**, aged 56, 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 the Hong Kong Auxiliary Police Force.