

43. PLEDGE OF ASSETS

At 30th November, 2001, the Group's investment properties and properties held for development with an aggregate book value of HK\$640,188,000 (2000: investment properties, properties held for sale, and properties held for development of HK\$627,757,000) were pledged to secure general banking facilities granted to the Group.

44. COMMITMENTS

At the balance sheet date, there were commitments contracted but not provided for in the financial statements in respect of:

| | THE GROUP | |
|---|-----------|----------|
| | 本集團 | |
| | 2001 | 2000 |
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| Construction costs and architect's fee 建築成本及建築師費用 | 92,792 | 65,521 |

The Group did not have any material commitments at the balance sheet date.

43. 資產抵押

於二零零一年十一月三十日，本集團賬面總值為港幣 640,188,000 元之投資物業及持作發展物業（二零零零年：賬面總值為港幣 627,757,000 元之投資物業、持作出售物業及持作發展物業）經已抵押，作為本集團一般銀行融資之擔保。

44. 承擔

於結算日已訂約但在財務報表未撥備之承擔如下：

| | THE GROUP | |
|---|-----------|----------|
| | 本集團 | |
| | 2001 | 2000 |
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| Construction costs and architect's fee 建築成本及建築師費用 | 92,792 | 65,521 |

於結算日，本集團並無任何重大之承擔。

45. CONTINGENT LIABILITIES

At the balance sheet date, there were contingent liabilities in respect of:

| | | THE GROUP | | THE COMPANY | |
|--|----------------------------|-----------|----------|-------------|----------|
| | | 本集團 | | 本公司 | |
| | | 2001 | 2000 | 2001 | 2000 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Guarantees given to banks and financial institutions for general facilities made available to: | 為下列公司提供一般融資而向銀行及財務機構作出之擔保： | | | | |
| Subsidiaries | 附屬公司 | - | - | 151,002 | 311,452 |
| Associates and investee company | 聯營公司及接受投資公司 | 65,971 | 68,408 | 65,971 | 68,408 |
| | | 65,971 | 68,408 | 216,973 | 379,860 |

45. 或然負債

於結算日，有關下列各項之或然負債如下：

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46. OPERATING LEASE ARRANGEMENTS

The Group as lessee

| | | THE GROUP | |
|--|--------------------|-----------|----------|
| | | 本集團 | |
| | | 2001 | 2000 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Lease payments payable for premises paid under operating leases during the year: | 本年度就營運租約物業應付之租約付款： | | |
| Minimum lease payments | 最低租約付款 | – | 439 |
| Revenue based lease payments | 根據收入計算之租約付款 | 351 | – |

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

46. 營運租約安排

本集團作為承租人

| | | THE GROUP | |
|---------------------------------------|----------------|-----------|----------|
| | | 本集團 | |
| | | 2001 | 2000 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Within one year | 於一年內 | – | 439 |
| In the second to fifth year inclusive | 第二至第五年（包括首尾兩年） | – | – |
| Over five years | 五年後 | – | – |
| | | – | 439 |

於結算日，本集團不可撤銷營運租約之日後最低租約付款承擔於下列期間到期：

Operating lease payments represent rentals payable by the Group for its shop premise. Lease is negotiated for a fixed term of 2 years.

The Group as lessor

The investment properties of the Group are expected to generate rental at reasonable yields on an ongoing basis. All of the properties held have committed tenants for the next three years.

營運租約付款指本集團就其商舖應付之租金。租約平均每2年檢討一次。

本集團作為出租人

本集團之投資物業預期可持續取得合理租金收益率。已持有物業於未來三年已保證有租戶。

46. OPERATING LEASE ARRANGEMENTS (cont'd)

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

| | | 2001 | 2000 |
|---------------------------------------|-----------------|---------------|---------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Within one year | 於一年內 | 22,048 | 38,234 |
| In the second to fifth year inclusive | 第二至第五年 (包括首尾兩年) | 19,429 | 37,154 |
| After five years | 五年後 | 1,757 | 3,720 |
| | | 43,234 | 79,108 |

47. LITIGATION

A legal action against the Group was taken by a China joint venture partner. On 17th May, 1996, Hubei Provincial High Court ("Hubei Court") imposed a judgment against the Group in favour of the China joint venture partner in relation to the former joint development of Shuohu Court in Wuhan (the "Development"). The judgment, which the Group has appealed against, in effect nullified the joint development agreement for the Development. On 28th May, 1998, the Supreme People's Court of the People's Republic of China dismissed the appeal of the Group but, inter alia, reduced the amount of the judgment sum of the Hubei Court issued on 17th May, 1996. Based on the judgment, the judgment sum of HK\$13,354,000, which includes unpaid contract sums, damages, legal costs and interest charges, would have to be paid. However, the Group disputes the quantification and through its legal advisors continues to apply for review against the judgment. Based on legal advice, a total provision of HK\$64.8 million was made in 1998 of which HK\$51.4 million was made against the investment cost paid. The remaining HK\$13.4 million was provided against damages, legal costs and interest charges up to 1998. The Directors believe that no further provision is required at this stage.

46. 營運租約安排 (續)

於結算日，本公司已就下列日後最低租約付款與租戶訂約：

| | 2001 | 2000 |
|---------------------------------------|---------------|---------------|
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| Within one year | 22,048 | 38,234 |
| In the second to fifth year inclusive | 19,429 | 37,154 |
| After five years | 1,757 | 3,720 |
| | 43,234 | 79,108 |

47. 訴訟

中國合營夥伴已對本集團採取法律行動。於一九九六年五月十七日，湖北省高級人民法院（「湖北法院」）就武漢市碩湖苑之前合營發展項目（「該發展項目」）而對本集團作出有利於該中國合營夥伴之判決。該項判決實際上令該發展項目之合營發展協議失效，本集團已就該項判決提出上訴。中華人民共和國最高人民法院於一九九八年五月二十八日駁回本集團之上訴，但削減湖北法院於一九九六年五月十七日頒佈之判決款項金額。根據有關判決，本集團須支付之判決款項為港幣**13,354,000**元，包括未支付之合約款項、賠償、法律費用及利息支出。然而，本集團質疑有關之計算方法，並透過其法律顧問繼續申請覆核該項判決。根據法律意見，於一九九八年已作出合共港幣**64,800,000**元之撥備，其中港幣**51,400,000**元乃就所付投資費用作出。餘下港幣**13,400,000**元乃就賠償、法律費用及截至一九九八年之利息支出作出撥備。董事相信，於現階段毋須再作出額外撥備。

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47. LITIGATION (cont'd)

On 22nd July, 1999, the Huibei Supreme Court caused an Attachment Order being registered against an investment property of the Group with a carrying value of approximately HK\$30.5 million (2000: HK\$30.5 million) situated at 50th Floor, Shun Hing Square, Shenzhen which are being held by a wholly-owned subsidiary of the Group as the registered owner.

Based on legal advice, the Group cannot lease out or sell the above properties during the attachment period. The Huibei Supreme Court can only place Attachment Orders on wholly-owned properties of the Group in the PRC and 50th Floor, Shun Hing Square is the only wholly-owned property of the Group in the PRC as at 30th November, 2001. The Directors consider that there will not be significant impact on the financial statements as provision for the case has been adequately provided as explained above. On 20th August, 2001, the Attachment Order was released but was re-registered on 21st August, 2001 and is valid until 20th February, 2002.

On 21st February, 2002, the Attachment Order was released again and no re-registration of the Attachment Order has been received up to the date of this report.

48. RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following transactions with related parties:

| | | 2001 | 2000 |
|---|-------------------------|----------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Interest paid to ultimate holding company (see note 32) | 支付最終控股公司之利息 (見附註 32) | 8,911 | 22,645 |
| Interest paid to a related company (see note 39) | 支付予關連公司之利息 (見附註 39) | 324 | 1,720 |
| Interest received from associates (see note 23) | 收取聯營公司之利息 (見附註 23) | 108 | 243 |

47. 訴訟 (續)

於一九九九年七月二十二日，湖北最高法院向本集團發出裁定書，查封了位於深圳信興廣場五十樓之投資物業（現由本集團之全資附屬公司以企業法人身份擁有），該物業賬面值約港幣 30,500,000 元（二零零零年：港幣 30,500,000 元）。

根據法律意見，本集團於查封期間不能出租或出售該物業。湖北最高法院只可對本集團於中國之全資擁有物業發出查封令，而本集團在二零零一年十一月三十日於中國之全資擁有物業僅為信興廣場五十樓。董事認為，本集團已作出如上所述之適當撥備，因此該物業之查封將不會對財務報表造成重大影響。於二零零一年八月二十日，查封令經已被解除，惟於二零零一年八月二十一日被重新登記，有效期至二零零二年二月二十日。

於二零零二年二月二十一日，查封令再被解除，而截至本報告日期尚未獲查封令之重新登記。

48. 關連人士交易

(a) 年內，本集團與關連人士訂立之交易如下：

48. RELATED PARTY TRANSACTIONS (cont'd)

(b) Shanghai Golden Sea has entered into a tenancy agreement with Evergo Holdings (China) Company Limited ("Evergo BVI"), a wholly-owned subsidiary of Chinese Estates, pursuant to which Shanghai Golden Sea agreed to lease to Evergo BVI B1 Unit 03 of Peregrine Plaza, Shanghai, the PRC for twenty-four months commenced from 1st July, 2001 to 30th June, 2003 at a monthly rental of US\$702.60.

(c) On 1st April, 2001, The House of Kwong Sang Hong Limited, a wholly-owned subsidiary of the Company, has entered into a tenancy agreement with Hillsborough Holdings Limited ("Hillsborough"), a wholly-owned subsidiary of Chinese Estates, pursuant to which Hillsborough agreed to lease Shop No.2 on the Ground Floor of Causeway Place, Hong Kong Mansion, Causeway Bay, Hong Kong for a period of two years at 50% of gross revenue of the shop per month. A total rental of HK\$351,000 was paid during the period ended 30th November, 2001.

In addition to the above, Chinese Estates, Limited, a wholly-owned subsidiary of Chinese Estates, performed certain administrative services for the Group, for which a management fee of HK\$48,000 (2000: HK\$48,000) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.

In the opinion of the Directors, the above transaction was carried out on normal commercial terms and in the ordinary course of the business of the Group.

Details of balances with related parties as at the balance sheet date are set out in notes 23, 25, 26, 32, 35, 36, 37 and 39.

48. 關連人士交易 (續)

(b) 上海金海與華人置業之全資附屬公司Evergo Holdings (China) Company Limited (「Evergo BVI」)訂立租約，據此，上海金海同意向Evergo BVI租出中國上海百富勤廣場地下一層03室，租期由二零零一年七月一日起至二零零三年六月三十日止二十四個月，月租為702.60美元。

(c) 於二零零一年四月一日，本公司之全資附屬公司廣生堂有限公司與華人置業之全資附屬公司Hillsborough Holdings Limited (「Hillsborough」)訂立租約，據此，Hillsborough同意租出香港銅鑼灣香港大廈銅鑼灣地帶地下之2號商舖，為期兩年，月租為商舖總收入之50%。於截至二零零一年十一月三十日止期間已支付之租金總額為港幣351,000元。

除上述者外，華人置業之全資附屬公司華人置業有限公司為本集團履行若干行政服務，而有關行政部門就所產生費用之適當部份收取之管理費為港幣48,000元(二零零零年：港幣48,000元)。

董事認為，上述交易乃按一般商業條款於本集團之正常業務範圍中訂立。

有關關連人士於結算日之結餘詳情載於附註23、25、26、32、35、36、37及39。

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49. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 30th November, 2001 are as follows:

49. 主要附屬公司

於二零零一年十一月三十日之主要附屬公司詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點 | Issued share capital/ registered capital 已發行股本/ 註冊資本 | Percentage of equity attributable to the Group 本集團所佔股權百分比 | Principal activities 主要業務 |
|--|--|--|--|------------------------------|
| <i>Direct subsidiary</i> 直接附屬公司 | | | | |
| Ever Supreme Limited | British Virgin Islands/Hong Kong 英屬維爾京群島/香港 | 1 share of US\$1 1 股面值 1 美元之股份 | 100% | Investment holding 投資控股 |
| Proud Success Limited | British Virgin Islands/Hong Kong 英屬維爾京群島/香港 | 1 share of US\$1 1 股面值 1 美元之股份 | 100% | Investment holding 投資控股 |
| The House of Kwong Sang Hong International Limited | British Virgin Islands/Hong Kong 英屬維爾京群島/香港 | 1 share of US\$1 1 股面值 1 美元之股份 | 100% | Investment holding 投資控股 |
| The Kwong Sang Hong Limited 廣生行有限公司 | Hong Kong 香港 | 198,060,540 ordinary shares of HK\$0.01 each 198,060,540 股每股面值港幣 0.01 元之普通股 | 100% | Investment holding 投資控股 |
| <i>Indirect subsidiary</i> 間接附屬公司 | | | | |
| Attractive Vision Sdn. Bhd. * | Malaysia 馬來西亞 | 2 ordinary shares of MYR1 each 2 股每股面值馬來西亞幣 1 元之普通股 | 100% | Investment holding 投資控股 |
| Goldworld International Limited | British Virgin Islands/Hong Kong 英屬維爾京群島/香港 | 1 share of US\$1 1 股面值 1 美元之股份 | 100% | Investment holding 投資控股 |

49. PRINCIPAL SUBSIDIARIES (cont'd)

49. 主要附屬公司 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點 | Issued share capital/ registered capital 已發行股本/ 註冊資本 | Percentage of equity attributable to the Group 本集團所佔 股權百分比 | Principal activities 主要業務 |
|---------------------------------|--|---|---|------------------------------|
| Healthy Sun Limited 逸康有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 100% | Property development 物業發展 |
| Hit City Limited 喜城有限公司 | Hong Kong 香港 | 10,000 ordinary shares of HK\$1 each 10,000 股每股面值 港幣 1 元之普通股 | 100% | Property investment 物業投資 |
| Huge Million Limited 百萬富有限公司 | Hong Kong/PRC 香港/中國 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 100% | Property investment 物業投資 |
| Mark Target Limited 鳴坤有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 100% | Property investment 物業投資 |
| Rich Century Limited 凌旋有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 100% | Property development 物業發展 |
| Super Mate Limited | Hong Kong 香港 | 20 ordinary shares of HK\$250,000 each 20 股每股面值港幣 250,000 元之普通股 | 100% | Property trading 物業買賣 |
| Swing Top Limited 世名有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 100% | Property investment 物業投資 |

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49. PRINCIPAL SUBSIDIARIES (cont'd)

49. 主要附屬公司 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點 | Issued share capital/ registered capital 已發行股本/ 註冊資本 | Percentage of equity attributable to the Group 本集團所佔 股權百分比 | Principal activities 主要業務 |
|--|---|--|--|--|
| The House of Kwong Sang Hong Limited 廣生堂有限公司 | Hong Kong 香港 | 500,000 ordinary shares of HK\$1 each 500,000 股每股面值港幣 1 元之普通股 | 100% | Cosmetics distribution and trading 化粧品分銷及買賣 |
| The Kwong Sang Hong Estate Agents Limited 廣生行物業代理有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$100 each 2 股每股面值港幣 100 元之普通股 | 100% | Estate agency service 物業代理服務 |
| The Kwong Sang Hong Finance Company Limited 廣生行財務有限公司 | Hong Kong 香港 | 100,000 ordinary shares of HK\$100 each 100,000 股每股面值港幣 100 元之普通股 | 100% | Loan financing 借貸融資 |
| Twin Sparkle Investment Limited 橋虹投資有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元之普通股 | 100% | Property investment 物業投資 |
| Well Alliance Company Limited | Hong Kong 香港 | 10,000 ordinary shares of HK\$1 each 10,000 股每股面值港幣 1 元之普通股 | 100% | Property trading 物業買賣 |
| Gold Concord Development Limited 新顯利發展有限公司 | Hong Kong 香港 | 5 ordinary shares of HK\$1 each 5 股每股面值港幣 1 元之普通股 | 80% | Property trading 物業買賣 |
| Hero Star (HK) Limited 雄星 (香港) 有限公司 | Hong Kong 香港 | 10,000 ordinary shares of HK\$1 each 10,000 股每股面值港幣 1 元之普通股 | 50% | Property development 物業發展 |

49. PRINCIPAL SUBSIDIARIES (cont'd)

49. 主要附屬公司 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點 | Issued share capital/ registered capital 已發行股本/ 註冊資本 | Percentage of equity attributable to the Group 本集團所佔 股權百分比 | Principal activities 主要業務 |
|---|--|---|---|---|
| Mark Base Limited 銘霸有限公司 | Hong Kong/PRC 香港/中國 | 2 ordinary shares of HK\$1 each 2 股每股面值 港幣 1 元之普通股 | 75% | Property development 物業發展 |
| Poly-Style Limited 廣銘有限公司 | Hong Kong 香港 | 8 ordinary shares of HK\$1 each 8 股每股面值 港幣 1 元之普通股 | 87.5% | Property development 物業發展 |
| Polyco Development Limited | Hong Kong 香港 | 5 ordinary shares of HK\$1 each 5 股每股面值 港幣 1 元之普通股 | 80% | Property trading and mortgage financing 物業買賣 及按揭融資 |
| Shanghai Golden Sea Building Limited *# 上海金海大廈有限公司 *# | PRC 中國 | Registered capital US\$10,500,000 註冊資本 10,500,000 美元 | 90.3% | Property investment 物業投資 |

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

董事認為在上表所列表載之本集團附屬公司，主要影響本集團之業績或資產。董事認為若提供其他附屬公司之詳情將導致篇幅過於冗長。

None of the subsidiaries had any loan capital outstanding at the end of the year, or at any time during the year.

各附屬公司於是年度結束時或於年內任何時間並無任何未償還之債務證券。

* companies not audited by Deloitte Touche Tohmatsu.

* 並非由德勤·關黃陳方會計師行審核之公司。

wholly foreign-owned enterprise

外商獨資企業

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50. PRINCIPAL ASSOCIATES

Particulars of the Group's principal associates, which were indirectly held by the Company, at 30th November, 2001 are as follows:

| Name of associate 聯營公司名稱 | Place of incorporation or registration/ operation 註冊成立或 登記/營業地點 | Percentage of equity attributable to the Group 本集團所佔 股權百分比 | Principal activities 主要業務 |
|--|--|--|---------------------------------|
| Bai Hui Group Company Limited * 百滙集團有限公司 * | Hong Kong/ PRC 香港/中國 | 35% | Investment holding 投資控股 |
| Bai Hui Real Estate Company Limited * 百滙地產有限公司 * | Hong Kong/ PRC 香港/中國 | 23.5% | Property development 物業發展 |
| Dollar Union Limited 金怡彩有限公司 | Hong Kong 香港 | 25% | Property development 物業發展 |
| East Australia Trading Company Limited * 東澳洲貿易有限公司 * | Hong Kong/ Vietnam 香港/越南 | 20% | Property investment 物業投資 |
| Genesis Development Limited 基能士發展有限公司 | British Virgin Islands/ Malaysia 英屬維爾京群島/ 馬來西亞 | 20% | Property investment 物業投資 |
| Golden Royce Investment Limited 金萊斯投資有限公司 | Hong Kong/ PRC 香港/中國 | 30% | Property development 物業發展 |
| KSH Guardian Property Management Limited * 廣佳物業管理有限公司 * | Hong Kong 香港 | 50% | Property management 物業管理 |
| Suzhou The House of Kwong Sang Hong Limited *## 蘇州廣生堂有限公司 *## | PRC 中國 | 40% | Cosmetics distribution 化粧品分銷 |

50. 主要聯營公司

於二零零一年十一月三十日，本公司間接持有之本集團主要聯營公司詳情如下：

50. PRINCIPAL ASSOCIATES (cont'd)

50. 主要聯營公司 (續)

| Name of associate 聯營公司名稱 | Place of incorporation or registration/ operation 註冊成立或 登記/營業地點 | Percentage of equity attributable to the Group 本集團所佔 股權百分比 | Principal activities 主要業務 |
|-----------------------------|--|---|------------------------------|
| Top Grade Assets Limited | British Virgin Islands/PRC 英屬維爾京群島/中國 | 40% | Property investment 物業投資 |

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

董事認為上表所列表載之本集團聯營公司，主要影響本集團之業績或資產。董事認為若提供其他聯營公司之詳情將導致篇幅過於冗長。

* companies not audited by Deloitte Touche Tohmatsu.

* 並非由德勤·關黃陳方會計師行審核之公司。

equity joint venture

合資經營企業