

CONNECTED TRANSACTIONS (cont'd)

- (ii) the sale of the entire interest of Super Series Limited (“Super Series”), the principal asset of which is its 100% interest in a company holding the entire interest of a development property (the “Hillier Property”) (particulars of which are set out on page 25); and the benefits of all sums due by Super Series to the Company as at 11th February, 2003. Consideration of the sale amounted to approximately HK\$103,900,000 (the “C Consideration”).

C Consideration shall be satisfied in cash and shall set off with the same amount in the CC Consideration. The remaining balance of the CC Consideration shall be settled by the allotment and issue of approximately 11,375.6 million shares of the Company at an issue price of HK\$0.045 per share, credited as fully paid, to Chinese Estates.

In order to facilitate the above asset transaction, the Directors of the Company proposed the following capital reorganisation to the shareholders of the Company for approval:

- (i) to consolidate every 50 issued and unissued shares of the Company into one share (the “Consolidation Shares”);
- (ii) to reduce the nominal value of each of the issued and unissued Consolidated Shares from HK\$5.00 to HK\$0.01 (the “Capital Reduction”); and
- (iii) immediately following the Capital Reduction becoming effective, to restore the authorised share capital of the Company to the original amount of HK\$500,000,000.

The above asset transaction and capital reorganisation were approved by the shareholders at the extraordinary general meeting of the Company held on 28th March, 2003 and completion of which is subject to other conditions precedent being fulfilled (including the approval of the capital reorganisation being obtained from the court).

關連交易 (續)

- (ii) 出售 Super Series Limited (「Super Series」) 之全部權益，該公司之主要資產為其於一家持有一項發展物業 (「禧利街物業」) (詳情載於第 25 頁) 全部權益之公司之 100% 權益；及 Super Series 於二零零三年二月十一日結欠本公司之所有款額利益。出售代價約為 103,900,000 港元 (「華置代價」)。

華置代價須以現金支付，並與至祥代價之相同金額抵銷。至祥代價之餘下款額將以按發行價每股 0.045 港元向華人置業配發及發行本公司約 11,375,600,000 股入賬列作繳足之股份支付。

為方便進行上述資產交易，本公司董事向本公司股東提出下列股本重組建議，以尋求批准：

- (i) 將本公司已發行及未發行股份每 50 股合併為一股股份 (「合併股份」)；
- (ii) 將每股已發行及未發行合併股份之面值由 5.00 港元削減至 0.01 港元 (「削減股本」)；及
- (iii) 緊隨削減股本生效後將本公司之法定股本恢復至原來之金額 500,000,000 港元。

上述資產交易及股本重組已獲股東於二零零三年三月二十八日本公司舉行之股東特別大會上批准，其完成有待其他先決條件達成 (包括獲得法院批准股本重組)。

**CONNECTED TRANSACTIONS (cont'd)**

**關連交易（續）**

**The Properties**

The Sale Companies are indirect wholly owned subsidiaries of Chinese Estates, the principal assets of which are their direct or indirect interests in the Properties. The Properties are free from any mortgages, charges, liens, pledges, options and third party claims or other encumbrances. Particulars of the Properties are as follows:

**該等物業**

銷售公司乃華人置業之間接全資附屬公司。其主要資產為其於該等物業之直接或間接權益。該等物業並無附帶任何按揭、抵押、留置權、質押、選擇權及第三方索償或其他產權負擔。該等物業之詳情如下：

Properties 物業	Usage 用途	Attributable interest 應佔權益	Sale Companies 銷售公司
In Hong Kong 香港			
<i>Property interests held for investment 持作投資之物業權益</i>			
1. Units A-C on the upper part of 3rd Floor, Units A-G & H (including the store room thereof) on 4th Floor, Units C, G & H (including the store room thereof) on 5th Floor, Unit H (including the store room thereof) on 6th Floor and Unit C (including the store room thereof) on 13th Floor and the Roof together with 50 Car Parking Spaces on 1st, 2nd, and lower part of 3rd Floors, Gemstar Tower, No. 23 Man Lok Street, Hung Hom, Kowloon 九龍紅磡民樂街 23 號駿昇中心 3 樓高層 A-C 單位、4 樓 A-G 及 H 單位（包括其儲物室）、5 樓 C、G 及 H 單位（包括其儲物室）、6 樓 H 單位（包括其儲物室）、13 樓 C 單位（包括其儲物室）、1 樓及 2 樓天台連 50 個停車位以及 3 樓低層	Godown 貨倉	100.0%	View Success Investments Limited 景亨投資 有限公司
2. Unit 301 on 3rd Floor, Sim City of Chung Kiu Commercial Building, Nos. 47-51 Shantung Street, Mong Kok, Kowloon 九龍旺角山東街 47-51 號 中僑商業大廈星際城市 3 樓 301 室	Commercial 商業	100.0%	First Castle Limited

**CONNECTED TRANSACTIONS (cont'd)**

**關連交易 (續)**

Properties 物業	Usage 用途	Attributable interest 應佔權益	Sale Companies 銷售公司
<p>3. Roof Nos. 1-6, 8, 9, 11 and 12, Kwai Shun Industrial Centre, Nos. 51-63 Container Port Road, Kwai Chung, New Territories 新界葵涌貨櫃碼頭道 51-63 號葵順工業中心 1-6、8、9、11 及 12 號天台</p>	Industrial 工業	100.0%	Queensway Development Ltd. carrying on business in Hong Kong under the name of Queensway Properties Limited Queensway Development Ltd.，彼以 Queensway Properties Limited 之名義於香港經營業務
<p>4. Canteen on Main Roof including the Flat Roof on the Upper Roof immediately thereabove and the Remaining Portion of the Flat Roof on the Main Roof, Meeco Industrial Building, Nos. 53-55 Au Pui Wan Street, Sha Tin, New Territories 新界沙田坳背灣街 53-55 號 美高工業大廈主要天台之飯堂，包括其上之高層天台平台及主要天台上之其餘部份平台</p>	Commercial 商業	100.0%	Sanewing Investments Limited 先榮投資有限公司
<p>5. Various portions of No. 1 Hung To Road, Kwun Tong, Kowloon 九龍觀塘鴻圖道 1 號若干單位</p>	Industrial 工業	33 1/3%	E-Trade.Com Limited
<p>6. The whole of 3rd Floor and the adjacent Flat Roof and the whole of 8th Floor, Inter-Continental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon 九龍尖沙咀加連威老道 94 號 明輝中心 3 樓全層及相連平台 以及 8 樓全層</p>	Commercial 商業	50.0%	Comford Tower Limited
<p>7. Shop Nos. 14 and 16 on Ground Floor and Cinema (including all that portion of the Flat Roof over the Cinema and all those the external walls above the canopy level of the Cinema portion and those external walls beneath the canopy level of the Cinema portion not being the external walls of any shop or transformer room of the building and all those three water tanks), Tuen Mun Centre, Nos. 2-8 Wo Ping Path, Nos. 7-35 Yan Ching Street, Tuen Mun, New Territories 新界屯門和平徑 2-8 號、仁政街 7-35 號 屯門中心地下 14 及 16 號舖 及戲院，包括戲院上之平台部份 及戲院部份簷篷上之所有外牆及 戲院部份簷篷下之該等外牆 ( 但非大廈任何高舖或電力變壓房 之外牆 ) 及三個水箱</p>	Commercial 商業	50.0%	Farnell Venture Inc.

**CONNECTED TRANSACTIONS (cont'd)**

**關連交易 (續)**

<b>Properties</b> 物業	<b>Usage</b> 用途	<b>Attributable interest</b> 應佔權益	<b>Sale Companies</b> 銷售公司
<i>Property interest held for sale</i> 持作出售之物業權益			
8. Units C to H (including the store room thereof) on 7th Floor and Units A to G (including the store room thereof) on 16th Floor, Gemstar Tower, No. 23 Man Lok Street, Hung Hom, Kowloon 九龍紅磡民樂街 23 號駿昇中心 7 樓 C 至 H 單位 (包括其儲物室)、 16 樓 A 至 G 單位 (包括其儲物室)	Godown 貨倉	100.0%	View Success Investments Limited 景亨投資有限公司
<i>Property interests held for future development</i> 持作日後發展之物業權益			
9. 9/24 equal and undivided shares of and in Lot Nos. 2, 4, 7, 8 and 9 in Demarcation District 464, So Shi Tau, Clear Water Bay, New Territories 新界清水灣鎖匙頭丈量約份 464 號地段 2、4、7、8 及 9 號 不可分割平均份數 24 份之 9 份	Agricultural 農地	100.0%	Country Homes Limited
10. The Remaining Portion of Lot No. 453 in Demarcation District 401, Po Lam Road, Ma Yau Tong, Sai Kung, New Territories 新界西貢馬游塘寶琳路丈量 約份 401 號地段 453 號餘段	Agricultural 農地	100.0%	Country Honour Limited 國賢有限公司
<b>In the PRC 中國</b>			
<i>Property interest held for sale</i> 持作出售之物業權益			
11. Unsold portion of Winson Plaza, 146 Weidi Road, Hexi District, Tianjin, the PRC (Note 2) 中國天津市河西區圍堤道 146 號 華盛廣場待售部份 (附註 2)	Office/Retail/ Residential 辦公室/ 零售 / 住宅	50.0%	Jade Mountain Limited
<i>Property interests held for future development</i> 持作日後發展之物業權益			
12. Chenghai Royal Garden, Estuary of Xinjin River, Chenghai City, Shantou, Guangdong Province, the PRC (Note 1) 中國廣東省汕頭市澄海 新津河河口澄海海麗花園 (附註 1)	Residential 住宅	100.0%	Jinline Investments Ltd.
13. Panyu Technology Park, East of Shiguang Road, Zhongcun Town, Panyu District, Guangzhou, Guangdong Province, the PRC (Note 2) 中國廣東省廣州市番禺區鐘村鎮 市廣路東側番禺科技城 (附註 2)	Industrial 工業	100.0%	Kinloch Investments Corp. 健諾投資有限公司

## CONNECTED TRANSACTIONS (cont'd)

Notes:

1. A wholly owned subsidiary of Jinline Investments Ltd. has obtained the contractual right of a contract for the pre-registration of grant of State-owned land use right made between Shantou Company of Guangdong Trust and Real Estate Development Corp. (廣東省信托房產開發公司汕頭公司) and Chenghai County Land Administrative Bureau in relation to the property. The contract for grant of land use right and the certificate for State-owned land use right in relation to the property have not been entered into or obtained and there is an outstanding land premium of approximately HK\$23.6 million to be paid by the wholly owned subsidiary of Jinline Investments Ltd.
2. All land use rights have been obtained and the land premium have been paid by the relevant holding companies holding these properties.

### Hillier Property

Super Series is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The principal asset of Super Series is its 100% interest in a company holding the entire interest of the Hillier Property.

The Hillier Property is located at Nos. 253-265 Queen's Road Central and Nos. 30-38 Hillier Street, Hong Kong and has a site area of approximately 4,570 square feet. At present, it is expected that a residential/commercial building with total gross floor area of approximately 42,314 square feet will be built on the site. The foundation works for the development of Hillier Property has been completed and superstructure works have commenced in mid 2002. The estimated completion date of the development of Hillier Property is in the fourth quarter of 2003. The Hillier Property (valued at approximately HK\$190 million as at 30th June, 2000) was injected to the Company at valuation as at 30th June, 2000 by Chinese Estates pursuant to a debt restructuring proposal in 2000.

## 關連交易 (續)

附註:

1. Jinline Investments Ltd. 之一家全資附屬公司已就該物業取得廣東省信托房產開發公司汕頭公司與澄海縣國土管理局一項國有土地使用權轉讓預先登記合同之訂約權。有關該物業之土地使用權轉讓合同並未簽訂，而國有土地使用權證亦並未獲得，未繳之地價約為 23,600,000 港元，將由 Jinline Investments Ltd. 之全資附屬公司支付。
2. 持有該等物業之持有公司已取得所有土地使用權並已繳付地價。

### 禧利街物業

Super Series 乃一間於英屬維爾京羣島註冊成立之有限公司，並為本公司之全資附屬公司。Super Series 之主要資產為其於一家持有禧利街物業全部權益之公司之 100% 權益。

禧利街物業位於香港皇后大道中 253-265 號及禧利街 30-38 號，地盤面積約為 4,570 平方呎。目前，預期將於該地盤上興建一幢總建築面積約為 42,314 平方呎之商住大樓。興建禧利街物業之地基工程已完成，而上蓋工程已於二零零二年中展開。禧利街物業發展計劃預期於二零零三年第四季完成。禧利街物業（於二零零零年六月三十日價值約為 190,000,000 港元）乃根據一項於二零零零年之債務重組建議由華人置業按二零零零年六月三十日之估值注入本公司。

## DIRECTORS' REPORT

### 董事會報告書

#### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), as at 31st December, 2002, the following Directors of the Company declared their interests in the following companies with businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

#### 董事於競爭性業務之權益

於二零零二年十二月三十一日，根據聯交所證券上市規則（「上市規則」）第 8.10 條，下列本公司董事宣布於下列與本集團業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

Name of Directors 董事姓名	Name of companies 公司名稱	Nature of business considered to compete or likely to compete with the business of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質	Nature of interest of the Directors in the companies 董事於該等公司之 權益性質
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	Chinese Estates* and its subsidiaries 華人置業 * 及其附屬公司	Property investment and development 物業投資及發展	Director and having certain personal and deemed interests in Chinese Estates 董事及於華人置業擁有 若干個人及被視為 擁有之權益
	The Kwong Sang Hong International Limited ("Kwong Sang Hong") and its subsidiaries ("廣生行")及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Kwong Sang Hong 董事及於廣生行擁有 若干被視為擁有之權益
Mr. Thomas Lau, Luen-hung 劉鑾鴻先生	Chinese Estates* and its subsidiaries 華人置業 * 及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chinese Estates 董事及於華人置業擁有 若干被視為擁有之權益
	Kwong Sang Hong and its subsidiaries 廣生行及其附屬公司	Property investment and development 物業投資及發展	Director 董事

\* listed holding company of the Company

\* 本公司之上市控股公司

Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung are brothers (collectively the "Lau Brothers") and also have personal interest in private companies engaged in businesses consisting of property development and investment in Hong Kong. As such, they are regarded as being interested in such businesses which compete or may compete with the Group.

劉鑾雄先生及劉鑾鴻先生為兄弟（統稱「劉氏兄弟」），並於經營業務包括於香港從事物業發展及投資之私人公司中擁有個人權益。因此，彼等被視為於與本集團構成競爭或可能構成競爭之業務擁有權益。

**DIRECTORS' INTERESTS IN  
COMPETING BUSINESSES (cont'd)**

Other than the businesses of the private companies of the Lau Brothers, the above-mentioned businesses are managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of its independent non-executive directors (whose views carry significant weight in the Board's decisions) and the independent Audit Committee, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies.

Other than as disclosed above, none of the Directors are interested in any business which competes or is likely to compete, either directly or indirectly, with the Company's business.

**POST BALANCE SHEET EVENT**

Details of a significant post balance sheet event are set out in note 34 to the financial statements.

**CORPORATE GOVERNANCE**

The Company has complied throughout the year ended 31st December, 2002 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the Independent Non-executive Directors are not appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.

**AUDITORS**

The financial statements for the year were audited by Messrs. Deloitte Touche Tohmatsu who will retire at the conclusion of the forthcoming Annual General Meeting, and being eligible, will offer themselves for re-appointment.

On behalf of the Board  
**Thomas Lau, Luen-hung**  
*Chairman*

Hong Kong, 9th April, 2003

**董事於競爭性業務之權益 (續)**

除劉氏兄弟之私人公司之業務外，上述業務乃由獨立上市公司管理，該等獨立上市公司擁有獨立管理及行政程序。就此而言，結合其對董事會決策有重大影響力之獨立非執行董事及獨立審核委員會之努力，本集團有能力獨立並按公平磋商原則從事其業務，而不受上述公司之業務所影響。

除上文所披露者外，概無董事於對本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

**結算日後事項**

重大之結算日後事項詳情載於財務報表附註 34 內。

**公司管治**

除獨立非執行董事因根據本公司之組織章程細則須於本公司之股東週年大會上輪值告退及膺選連任而並無獲委任任何特定年期外，本公司於截至二零零二年十二月三十一日止年度一直遵守上市規則附錄十四所載之最佳應用守則。

**核數師**

本年度之財務報表由德勤·關黃陳方會計師行審核。該核數師行將於即將舉行之股東週年大會結束時任滿告退，惟願膺聘連任。

代表董事會  
主席  
**劉鑾鴻**

香港，二零零三年四月九日