

## DIRECTORS' REPORT

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (cont'd)

2. *GZ Trust Corporation as trustee of a discretionary trust held the entire issued share capital of Nation Link Limited (now known as Joseph Lau Luen Hung Investments Limited) and therefore was regarded as interested in the same parcel of shares held by Nation Link Limited (now known as Joseph Lau Luen Hung Investments Limited). These shares were the same parcel of 286,363,456 shares of the Company referred to in "Other Interests" of Mr. Joseph Lau, Luen-hung under "Directors' Interests in the securities of the Company and Associated Corporations" as disclosed in paragraph 1 above.*
3. *These shares were indirectly owned by a discretionary trust of which Ms. Ip, Sok-wun was the founder. These shares were the same parcel of the shares referred to in "Other Interests" of Mr. Thomas Lau, Luen-hung under "Directors' Interests in the securities of the Company and Associated Corporations" as disclosed in paragraph 1 above.*
4. *J. P. Morgan Trust Company (Bahamas) Limited as trustee of a discretionary trust owned the entire issued share capital of Sunny Trend Limited. By virtue of the SFO, J. P. Morgan Trust Company (Bahamas) Limited was deemed to have interest in the 206,379,187 shares held by Sunny Trend Limited. These shares were the same parcel of shares referred to in "Other Interests" of Mr. Thomas Lau, Luen-hung under "Directors' Interests in the securities of the Company and Associated Corporations" as disclosed in paragraph 1 above and in the above note 3.*
5. *Primetek Holdings Limited ("Primetek") is a wholly-owned subsidiary of Hutchison International Limited ("HIL"), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). By virtue of the SFO, HWL and HIL are deemed to be interested in the 191,040,000 shares of the Company held by Primetek.*
6. *Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited ("TUT1"). TUT1 as trustee of The Li Ka-Shing Unity Trust ("UT1"), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.*

## 董事會報告書

### 主要股東於股份之權益 (續)

2. GZ Trust Corporation (作為一項全權信託之信託人) 持有 Nation Link Limited (現稱 Joseph Lau Luen Hung Investments Limited) 之全部已發行股本, 故被視為擁有 Nation Link Limited (現稱 Joseph Lau Luen Hung Investments Limited) 所持有之同一批股份之權益。上述股份為上文第 1 段所披露「董事於本公司及相聯法團之證券權益」下劉鑾雄先生之「其他權益」中所指之 286,363,456 股為同一批股份。
3. 該等股份由一項以葉淑婉女士為創立人之全權信託間接擁有。上述股份為上文第 1 段所披露「董事於本公司及相聯法團之證券權益」下劉鑾鴻先生之「其他權益」中所指之同一批股份。
4. J. P. Morgan Trust Company (Bahamas) Limited (作為一項全權信託之信託人) 擁有 Sunny Trend Limited 之全部已發行股本。根據證券及期貨條例, J. P. Morgan Trust Company (Bahamas) Limited 視為擁有 Sunny Trend Limited 持有之 206,379,187 股股份。上述股份為上文第 1 段所披露「董事於本公司及相聯法團之證券權益」下劉鑾鴻先生之「其他權益」中及上文附註 3 所指之同一批股份。
5. Primetek Holdings Limited (「Primetek」) 為和記企業有限公司 (「和記企業」) 之全資附屬公司, 而後者為和記黃埔有限公司 (「和黃」) 之全資附屬公司。根據證券及期貨條例, 和黃及和記企業被視為擁有 Primetek 持有之 191,040,000 股本公司股份。
6. 由李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有全部已發行股本之三分之一權益之 Li Ka-Shing Unity Holdings Limited, 擁有 Li Ka-Shing Unity Trustee Company Limited (「TUT1」) 之全部已發行股本。TUT1 以 The Li Ka-Shing Unity Trust (「UT1」) 信託人之身份, 連同若干公司 (TUT1 以 UT1 信託人之身份有權在其股東大會上行使或控制行使三分之一以上之投票權之公司) 合共持有長江實業 (集團) 有限公司 (「長實」) 三分之一以上之已發行股本。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。

## DIRECTORS' REPORT

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (cont'd)

*In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in the UT1.*

*By virtue of the SFO, each of Mr. Li Ka-shing being the settlor and may being regarded as a founder of DT1 and DT2 for the purpose of the SFO, TDT1, TDT2, TUT1 and CKH was deemed to be interested in the 191,040,000 shares of the Company held by Primetek.*

All the interests stated above represent long positions. As at 31st December, 2003, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more in the Company's issued share capital as at 31st December, 2003.

## 董事會報告書

### 主要股東於本公司之權益 (續)

此外，Li Ka-Shing Unity Holdings Limited 亦擁有 Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」，The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人) 及 Li Ka-Shing Unity Trustcorp Limited (「TDT2」，另一全權信託 (「DT2」) 之信託人) 之全部已發行股本。TDT1 及 TDT2 各持有 UT1 之單位。

根據證券及期貨條例，李嘉誠先生為 DT1 及 DT2 之託管人，就證券及期貨條例而言被視為 DT1 及 DT2 之創立人，TDT1、TDT2、TUT1 及長實被視為擁有 Primetek 持有之 191,040,000 股本公司股份。

上述所有權益均為好倉。於二零零三年十二月三十一日，根據本公司按證券及期貨條例第 336 條置存之登記冊所載概無任何淡倉。

除上文所披露者外，本公司並無接獲任何其他持有本公司於二零零三年十二月三十一日已發行股本 5% 或以上權益之通知。

## DIRECTORS' REPORT

## 董事會報告書

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

### 董事於競爭性業務之權益

Pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), during the year and as at 31st December, 2003, the following Directors of the Company declared their interests in the following companies with businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group:

本年度內及於二零零三年十二月三十一日，根據聯交所證券上市規則（「上市規則」）第8.10條，下列本公司董事申報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 businesses 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	*Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director and having certain deemed interests in Chi Cheung 董事及於至祥擁有若干被視為擁有之權益
	*G-Prop and its subsidiaries *金匡及其附屬公司	Property investment 物業投資	Having certain deemed interest in G-Prop 於金匡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, securities investment and money lending 物業投資及發展、證券投資及放債	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	*Chi Cheung and its subsidiaries * 至祥及其附屬公司	Property investment and development 物業投資及發展	Director 董事
	Kwong Sang Hong and its subsidiaries 廣生行及其附屬公司	Property investment and development, securities investment and money lending 物業投資及發展、證券投資及放債	Director 董事

\* non wholly-owned listed subsidiary of the Company

\* 本公司之非全資上市附屬公司

## DIRECTORS' REPORT

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

Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung are brothers (collectively "the Lau Brothers") and also had personal interests in private companies engaged in businesses consisting of property development and investment in Hong Kong, securities investment and money lending. As such, they were regarded as being interested in such businesses, which competed or might compete with the Group. However, when compared with the dominance and size of operations of the Group, such competing businesses were immaterial.

Other than the businesses of the private companies of the Lau Brothers, the above-mentioned businesses were 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 was capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies.

For better delineation of property investment business, the Company, will give Chi Cheung, the non wholly-owned listed subsidiary the priority over the future property investment project with the value of less than or equal to 50% of the net asset value of Chi Cheung with reference to the latest published account and subject to the financial resources of Chi Cheung from time to time.

The Company, through its subsidiary, has a 50% interest in Power Jade Capital Limited ("Power Jade") which holds approximately 53.52% of interest in Kwong Sang Hong. The other shareholder of the 50% interest in Power Jade is Solar Chain Limited ("Solar Chain"). In order to have equal control over the board, both Chinese Estates and Solar Chain have nominated equal number of representatives to set up the board.

The Directors are aware of their fiduciary duties and will act honestly and in good faith in the interests of the Company and will avoid any potential conflicts of interest and duty. Two independent non-executive directors are present on the Board of the Company and audit committee so that the interest of its shareholders can be adequately represented.

Other than as disclosed above, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the Company's business.

## 董事會報告書

### 董事於競爭性業務之權益 (續)

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、證券投資及放債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。然而，上述競爭性業務與本集團之優勢及業務規模相比乃微不足道。

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計委員會之努力，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。

為了更清晰地劃分物業投資業務，本公司將參考最近期公布之賬目及因應本公司之非全資上市附屬公司至祥置業有限公司（「至祥」）不時具備之財政資源，將價值少於或相當於至祥資產淨值 50% 之未來物業投資項目優先給予至祥考慮。

本公司透過其附屬公司擁有 Power Jade Capital Limited（「Power Jade」）50% 權益，後者則持有廣生行約 53.52% 權益。擁有 Power Jade 其餘 50% 權益之股東為 Solar Chain Limited（「Solar Chain」）。為了在董事會擁有同等比重之控制權，本公司及 Solar Chain 委派相同數目之代表組成董事會。

董事知悉其受信責任，將會秉誠行事以符合本公司之利益，並避免任何潛在利益及責任衝突。本公司之董事會及審計委員會均有兩名獨立非執行董事成員，足以代表其股東之利益。

除上文所披露者外，概無董事在本公司業務以外於與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。

## DIRECTORS' REPORT

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Apart from the agreements disclosed under the headings "Interests in Contracts and Connected Transactions" and "Management and Consultancy Agreement" below, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the year or at any time during the year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no other arrangements to which the Company or any of the Company's subsidiaries was a party to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate during the year.

### INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

1. Viewide Properties Limited ("Viewide"), an indirect wholly-owned subsidiary of the Company since completion of acquisition of Gold Horse Limited ("Gold Horse") on 21st March, 2001, was the landlord under two leases dated 14th August, 1996 and 10th November, 1997 respectively (the "Leases") with Public Might Limited ("Public Might") as tenant in respect of portions of the Excelsior Plaza in Causeway Bay known as shop no. 31 on the first floor, portions of shop no. 32 on ground to second floors of Chee On Building, portions of shop no. 32 on respective second floor of Yee On Building and Annex Land Building and certain other portions ("Excelsior Property") expiring on 31st October, 2005 with a monthly guaranteed minimum gross revenue of approximately HK\$3.3 million.

Since 9th May, 2001, Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung, Directors of the Company, had indirect shareholding interest in Public Might which belonged to a group of companies running the retail business in the Excelsior Property under the trade name of "New Face by Sogo", now known as "Beauty@Sogo" and "Nu Front".

## 董事會報告書

### 董事及控股股東於合約之權益

除下文「合約權益及關連交易」及「管理及顧問協議」所述之協議外，於年結時或本年度內任何時間本公司或本公司之任何附屬公司所訂立與本公司業務有關之重大合約中，董事概無直接或間接擁有重大權益；此外，本公司或本公司之任何附屬公司亦無與控股股東或其任何附屬公司訂立與本公司業務有關之其他重大合約。

### 購買股份或債券之安排

本公司或本公司任何附屬公司概無於本年度內作出其他安排，以使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

### 合約權益及關連交易

1. 自二零零一年三月二十一日完成收購 Gold Horse Limited (「Gold Horse」) 後成為本公司間接全資附屬公司之 Viewide Properties Limited (「Viewide」)，以業主身份與租戶 Public Might Limited (「Public Might」) 就銅鑼灣怡東商場部份，包括置安大廈一樓 31 號舖、地下至二樓 32 號舖部份，分別位於怡安大廈及 Annex Land Building 二樓之 32 號舖部份及若干其他部份(「怡東物業」)訂立兩份日期分別為一九九六年八月十四日及一九九七年十一月十日之租約(「該等租約」)，該等租約於二零零五年十月三十一日屆滿，每月最低保證收入總額約為 3,300,000 港元。

自二零零一年五月九日起，本公司董事劉鑾雄先生及劉鑾鴻先生於 Public Might 擁有間接股權。Public Might 乃一組以「New Face by Sogo」(現稱「Beauty@Sogo」及「東角馭」)之商標在怡東物業經營零售業務之公司所擁有。

## DIRECTORS' REPORT

### INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

The Independent Non-executive Directors of the Company had reviewed and confirmed that the terms of the Leases were (a) entered into in the ordinary and usual course of business of the Company; (b) entered into on normal commercial terms; (c) fair and reasonable so far as the Shareholders of the Company are concerned; and (d) the aggregate annual rental payable by Public Might to Viewide under the Leases should not exceed 3% of the audited consolidated net tangible assets of the Group for the year ended 31st December, 2003.

2. On 11th February, 2003, the Company entered into a sale and purchase agreement with Chi Cheung and its wholly-owned subsidiary, Jumbo Legend Limited relating to, among other things, the sale of a group of indirect wholly-owned subsidiaries of the Company, which held direct or indirect interests in certain properties, and the purchase of Super Series Limited, a wholly-owned subsidiary of Chi Cheung, which held 100% indirect interest in a development project at the Queen's Road Central/Hillier Street (the "Asset Transaction").

As Chi Cheung was a non wholly-owned listed subsidiary of the Company, the Asset Transaction constituted a connection transaction for the Company. The Asset Transaction was approved by independent shareholders of the Company on 28th March, 2003. The proceeds on the disposal amounted to approximately HK\$605.4 million (the "CC Consideration") and the consideration of the acquisition of Super Series Limited amounted to approximately HK\$103.9 million (the "C Consideration"). The CC Consideration was satisfied partly by setting-off against the C Consideration and partly by the allotment and issue of shares of Chi Cheung to the Company at an agreed issue price of HK\$2.25 per share.

The Asset Transaction was completed on 7th November, 2003 and Chi Cheung had issued 222,879,881 new shares to the Company. In order to maintain sufficient public float of Chi Cheung upon the completion of the Asset Transaction, the Company had declared special dividend to the then existing shareholders by way of distribution in specie part of the new shares allotted to the Company (the "Distribution") with the approval of the Board of

## 董事會報告書

### 合約權益及關連交易 (續)

本公司之獨立非執行董事已審閱及確認該等租約之條款 (a) 乃於本公司一般及日常業務中訂立; (b) 乃按一般商業條款訂立; (c) 對本公司股東而言屬公平合理; 及 (d) Public Might 根據該等租約應付 Viewide 之全年租金總額不得超過本集團截至二零零三年十二月三十一日止年度之經審核綜合有形資產淨值 3%。

2. 本公司與至祥及其全資附屬公司 Jumbo Legend Limited 於二零零三年二月十一日訂立一項買賣協議，乃關於出售本公司一組直接或間接持有若干物業權益之間接全資附屬公司，及購入持有皇后大道中 / 禧利街發展項目 100% 間接權益之至祥全資附屬公司 Super Series Limited (「資產交易」)。

由於至祥為本公司之非全資上市附屬公司，資產交易構成本公司之一項關連交易。資產交易經由本公司獨立股東於二零零三年三月二十八日批准。出售所得款項約為 605,400,000 港元 (「至祥代價」)，而收購 Super Series Limited 之代價約為 103,900,000 港元 (「華置代價」)。部份至祥代價將與華置代價抵銷，部份以每股協定發行價 2.25 港元配發及發行至祥股份予本公司支付。

資產交易已於二零零三年十一月七日完成，而至祥已向本公司發行 222,879,881 股新股。為使至祥於資產交易完成後有足夠之公眾持股量，本公司以實物分派方式向當時之現有股東宣派特別股息，分派本公司獲配發之部份新股 (「分派」)，已獲本公司董事會批准，而劉鑾雄先生及劉鑾

## DIRECTORS' REPORT

### INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Directors of the Company and the agreement of each of Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung and their respective Associates (as defined in the Listing Rules) not to take up their entitlement in the Distribution. The Distribution had been determined at one share of Chi Cheung for ratio of 8.75 shares in the Company.

The Directors considered that the primary aim of the Asset Transaction was to provide income and capital base and greater flexibility to Chi Cheung and its subsidiaries for its future development.

3. On 9th September, 2002, the Company executed (i) a guarantee; (ii) a completion guarantee; and (iii) a funding undertaking (collectively called the "Guarantees and Undertaking") all in favour of Hang Seng Bank Limited in respect of all obligations of Fame Winner Limited ("Fame Winner") under a loan facility of HK\$79 million granted to Fame Winner for a development project of a residential/commercial building with a total gross floor area of approximately 42,314 square feet located at Nos. 253-265 Queen's Road Central and Nos. 30-38 Hillier Street, Hong Kong (the "Hillier Street Project").

Upon the completion of Asset Transaction, Fame Winner, perviously an indirect wholly-owned subsidiary of Chi Cheung, a non wholly-owned listed subsidiary of the Company became an indirect wholly-owned subsidiary of the Company.

Fame Winner was formed to undertake the Hillier Street Project. The terms of the said loan facilities were entered into on normal commercial terms. The loan was fully repaid and the Guarantees and Undertaking were released during the year.

4. On 6th September, 2002, the Company together with Solar Chain Limited ("Solar Chain") executed an irrevocable joint and several guarantee (including a funding undertaking and a completion guarantee) in favour of Bank of China (Hong Kong) Limited in respect of all obligations of Rich Century Limited ("Rich Century") under a loan facility of up to HK\$57.6 million granted to Rich Century for financing a development project comprising 64 residential units with approximately 46,000 square feet gross floor area located at Tong Yan San Tsuen in Yuen Long.

## 董事會報告書

### 合約權益及關連交易 (續)

鴻先生及彼等各自之聯繫人(定義見上市規則)分別同意放棄獲得分派之權利。分派比例為每持有 8.75 股本公司股份獲派一股至祥股份。

董事會認為資產交易之最主要目的乃為至祥及其附屬公司日後之發展提供收入及股本基礎及較大之靈活性。

3. 於二零零二年九月九日,本公司向恒生銀行有限公司提供(i)擔保; (ii)完成擔保; 及(iii)出資承諾(統稱「擔保及承諾」)。上述各項乃為祺傑有限公司(「祺傑」)因位於香港皇后大道中 253-265 號與禧利街 30-38 號總樓面面積約 42,314 平方呎之商住大廈發展項目(「禧利街項目」)所借之 79,000,000 港元貸款融資之全部責任而作出。

於資產交易成後,本公司之非全資上市附屬公司至祥之前間接全資附屬公司祺傑成為本公司之間接全資附屬公司。

祺傑乃為進行禧利街項目而成立。上述貸款融資之條款乃按一般商業條款而訂立。該筆貸款已悉數償還,而擔保及承諾亦於年內解除。

4. 於二零零二年九月六日,本公司連同 Solar Chain Limited(「Solar Chain」)向中國銀行(香港)有限公司提供不可撤回之共同及各別之擔保(包括出資承諾及完成擔保)。該項擔保乃因凌旋有限公司(「凌旋」)為位於元朗唐人新村樓面面積約 46,000 平方呎之 64 個住宅單位之發展項目所借最高達 57,600,000 港元之貸款融資之全部責任而作出。

## DIRECTORS' REPORT

### INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Rich Century is an indirect wholly-owned subsidiary of Kwong Sang Hong. Each of the Company and Solar Chain has 50% interests in Power Jade Capital Limited which holds 53.52% interests in Kwong Sang Hong. The loan was repaid and the irrevocable joint and several guarantee (including a funding undertaking and a completion guarantee) was released during the year.

5. On 7th September, 2002, the Company together with Solar Chain executed an irrevocable joint and several guarantee (including a funding undertaking and a completion guarantee) in favour of Bank of China (Hong Kong) Limited as agent of syndicated bankers in respect of all obligations of Healthy Sun Limited ("Healthy Sun") under a loan facility of up to HK\$910 million granted to Healthy Sun for financing a development project comprising 960 service apartment units with approximately 585,626 square feet gross floor area at Nos. 124-142 Yeung Uk Road, Tsuen Wan.

Healthy Sun is an indirect wholly-owned subsidiary of Kwong Sang Hong. Each of the Company and Solar Chain has 50% interests in Power Jade Capital Limited which holds 53.52% interests in Kwong Sang Hong.

6. For the year ended 31st December, 2003, the Group provided financial assistance to Dollar Union Limited ("Dollar Union") which was currently owned as to 75% by the Group and 25% by the group of Kwong Sang Hong, an associate of the Company:
- (i) Aggregate advances made by the Group to Dollar Union amounted to HK\$1,008 million (2002: HK\$1,115 million). The advances were unsecured, interest free and had no fixed repayment date.
- (ii) The Company issued a several guarantee dated 29th April, 1998 in favour of Land Development Corporation (the Urban Renewal Authority ("URA") as its successor) and Opalman Limited in respect of 75% of performance and fulfillment of obligations of Dollar Union under the development agreement dated 8th March, 1996 (as supplemented by a variation agreement and a side letter dated 10th April, 2002 and 28th August, 2002 respectively).

## 董事會報告書

### 合約權益及關連交易 (續)

凌旋為廣生行之間接全資附屬公司。本公司與 Solar Chain 各擁有 Power Jade Capital Limited 之 50% 權益，而該公司則持有廣生行之 53.52% 權益。該筆貸款已經償還，而不可撤回之共同及各別擔保（包括出資承諾及完成擔保）已於年內解除。

5. 於二零零二年九月七日，本公司連同 Solar Chain 向銀團代理人中國銀行（香港）有限公司提供不可撤回之共同及各別之擔保（包括出資承諾及完成擔保）。該項擔保乃因逸康有限公司（「逸康」）為荃灣楊屋道 124-142 號樓面面積約 585,626 平方呎之 960 個服務式住宅單位之發展項目所借最高達 910,000,000 港元貸款融資之全部責任而作出。

逸康為廣生行之間接全資附屬公司。本公司及 Solar Chain 各擁有 Power Jade Capital Limited 之 50% 權益，而該公司則持有廣生行之 53.52% 權益。

6. 於截至二零零三年十二月三十一日止年度，本集團向分別由本集團及本公司聯營公司廣生行集團擁有 75% 及 25% 權益之金怡彩有限公司（「金怡彩」）提供財務援助：
- (i) 本集團向金怡彩提供之墊款總額達 1,008,000,000 港元（二零零二年：1,115,000,000 港元）。該等墊款為無抵押、免息及無固定還款期。
- (ii) 本公司就金怡彩須根據其於一九九六年三月八日訂立之發展協議（經由日期分別為二零零二年四月十日與二零零二年八月二十八日之修訂協議與附函補充）履行及達成之 75% 責任，向土地發展公司（市區重建局（「市建局」）為其繼任人）及 Opalman Limited 作出一項日期為一九九八年四月二十九日之各別擔保。



## DIRECTORS' REPORT

### INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Dollar Union was formed to develop a site of approximately 72,988 square feet bounded by Queen's Road East, Ruttonjee Hospital, Cross Street and Tai Yuen Street in Wanchai, Hong Kong ("Tai Yuen Street Project") with URA.

Development cost of Dollar Union was funded by advances from all its shareholders in proportion to their respective equity interests in Dollar Union and on a several basis. As at 29th March, 2004, the aggregate advances made by the Group to Dollar Union amounted to approximately HK\$1,008 million.

Total development cost of the Tai Yuen Street Project was estimated to be HK\$2.6 billion, of which HK\$1,740 million had been paid up to date. Estimated future development cost is HK\$860 million and the Group's share thereof was HK\$645 million. In order to facilitate future development cost of the Tai Yuen Street Project from now to year 2008, the Company on 6th June, 2003 executed (i) a several guarantee, (ii) a funding undertaking and (iii) a completion guarantee in favour of BOCI Capital Limited as agent of Bank of China (Hong Kong) Limited and Hang Seng Bank Limited in respect of 75% of liabilities and obligation of Dollar Union under a loan facility of up to HK\$1,150 million granted to Dollar Union.

7. During the year ended 31st December, 2003, the Group also provided financial assistance to Modern City Investment Limited ("Modern City") which was currently owned as to 75% by the Group and 25% by an independent third party:
- (i) Aggregate advances made by the Group to Modern City amounted to HK\$59 million (2002: HK\$58 million). The advances were unsecured and had no fixed repayment date.
  - (ii) The Company issued a guarantee dated 30th November, 2001 in favour of Standard Chartered Bank in respect of 75% of liabilities and obligations of Modern City under a loan facility of up to HK\$60 million granted to Modern City.

## 董事會報告書

### 合約權益及關連交易 (續)

金怡彩之成立，乃為與市建局共同發展位於香港灣仔皇后大道東、律敦治醫院、交加街及太原街所圍繞面積約 72,988 平方呎之地盤（「太原街項目」）。

金怡彩之發展成本乃由其全體股東按彼等各自在金怡彩之股本權益比例各別提供墊款撥付。於二零零四年三月二十九日，本集團向金怡彩提供之墊款總額約為 1,008,000,000 港元。

太原街項目之發展成本總額估計將為 2,600,000,000 港元。截至目前為止，已繳付其中 1,740,000,000 港元，故未來之發展成本估計將為 860,000,000 港元，而本集團則承擔其中之 645,000,000 港元。為支付太原街項目由現在起至二零零八年之未來發展成本，本公司於二零零三年六月六日向中國銀行（香港）有限公司及恒生銀行有限公司之代理人 BOCI Capital Limited 提供 (i) 各別擔保，(ii) 出資承諾及 (iii) 完成擔保。上述各項乃就金怡彩所借最高達 1,150,000,000 港元貸款融資之 75% 負債及責任而作出。

7. 於截至二零零三年十二月三十一日止年度，本集團亦為新城鎮投資有限公司（「新城鎮」）（其 75% 及 25% 權益分別由本集團及一名獨立第三者擁有）提供財政援助：
- (i) 本集團向新城鎮提供之墊款總額達 59,000,000 港元（二零零二年：58,000,000 港元）。該等墊款為無抵押及無固定還款期。
  - (ii) 本公司就新城鎮所借最高達 60,000,000 港元貸款融資之 75% 負債及責任向渣打銀行作出一項日期為二零零一年十一月三十日之擔保。