

DISCLOSURE OF FURTHER CORPORATE INFORMATION

Set out below is information disclosed pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”):

(A) Biographical Details of Directors and Senior Managers

(i) Directors

Peter K C Woo, GBS, JP, Chairman (Age: 55)

Mr Woo has resumed the role of Chairman after having formerly served as Chairman of the Company from 1986 to 1994. He is also the chairman of Wheelock and Company Limited (“Wheelock”) which is deemed under the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”) to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Mr Woo was appointed a Justice of the Peace in 1993 and awarded the Gold Bauhinia Star in 1998 by the Hong Kong SAR Government. He has for many years been actively engaged in community and related services, both locally and in the international arena, and has held various Government appointments. He has been the Government-appointed chairman of the Hong Kong Trade Development Council since October 2000 and had served as the chairman of Hospital Authority from 1995 to 2000 and the council chairman of Hong Kong Polytechnic University from 1993 to 1997. He is currently the chairman of the Hong Kong Environment and Conservation Fund Committee set up in 1994 which he co-funded with the Government. He also served as a deputy chairman in 1991 to Prince of Wales Business Leaders Forum, as a member of the International Advisory Council of J.P. Morgan Chase & Co., National Westminster Bank, Banca Nazionale del Lavoro, Elf Aquitaine of France and General Electric of America. He has received Honorary Doctorates from various universities in the USA, Australia and Hong Kong.

Gonzaga W J Li, Senior Deputy Chairman (Age: 72)

Mr Li joined Wharf in 1980 as a Director and was appointed as general manager in 1982. He became Deputy Chairman and Managing Director in 1989. He was appointed Chief Executive in September 1992 and became Chairman in 1994. He relinquished the title of Chairman and Chief Executive and assumed the title of Senior Deputy Chairman of the Company in April 2002. Mr Li is also the senior deputy chairman of Wheelock and the chairman of Harbour Centre Development Limited (“HCDL”), New Asia Realty and Trust Company, Limited (“New Asia”), Wharf China Limited and Marco Polo Developments Limited (“MPDL”) in Singapore and also a director of Joyce Boutique Holdings Limited (“Joyce”). Furthermore, he is a director of WF Investment Partners Limited (“WF Investment”), which, as well as Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Stephen T H Ng, Deputy Chairman and Managing Director (Age: 49)

Mr Ng joined Wharf in 1981 and became a Managing Director in 1989. He has been a director and chief executive officer of i-CABLE Communications Limited (“i-CABLE”) since 1999 and became its chairman in August 2001. He is also the deputy chairman of Wheelock and a director of Joyce. He serves as a member of the Hong Kong – United States Business Council. Furthermore, he is a director of WF Investment, which, as well as Wheelock are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Paul Y C Tsui, Executive Director (Age: 55)

Mr Tsui has been an Executive Director of the Company since September 2000. Mr Tsui is also a director of Wheelock, HCDL, i-CABLE, Joyce and MPDL in Singapore, as well as being the group financial controller of the Company and Wheelock. Furthermore, he is a director of WF Investment, which, as well as Wheelock are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

David J Lawrence, Executive Director (Age: 56)

Mr Lawrence has been appointed as Executive Director of the Company with effect from April 22, 2002. He joined the Group in 1992 and spent one year with the Group in Hong Kong before transferring to a new appointment in 1993 to expand MPDL of which he is now the chief executive officer and managing director. He is a Fellow of The Hong Kong Institute of Surveyors, The Royal Institution of Chartered Surveyors, the Singapore Institute of Surveyors and Valuers and the Singapore Institute of Directors.

Robert H Burns, Director (Age: 72)

Mr Burns has been a Director of the Company since 1995. He is one of the founders of the Regent Hotels group and is also the chairman of Robert H Burns Holdings Limited.

Vincent K Fang, Director (Age: 58)

Mr Fang has been a Director of the Company since 1993. He is the chief executive officer of Topy Co. (HK) Ltd., a director of Fantastic Garments Limited and also the chairman of the Association of Better Business & Tourism Services.

Hans M Jebsen, BBS, Director (Age: 45)

Mr Jebsen has been a Director of the Company since September 2001. He is the chairman of Jebsen & Co. Ltd. and also a director of Hysan Development Co., Ltd. He currently holds a number of public offices, namely, the vice-president of World Wide Fund for Nature Hong Kong, an honorary fellow and member of the Corporate Advisory Board of the Hong Kong University of Science & Technology, the chairman of WTO Working Group of the Hong Kong General Chamber of Commerce, as well as being a member of World Wide Fund for Nature International Board of Trustees, Hong Kong European Union Business Co-operation Committee of the Hong Kong Trade Development Council, Advisory Board of the Hong Kong Red Cross, Pacific Basin Economic Council and Asian Cultural Council. He was awarded the Bronze Bauhinia Star of the Hong Kong SAR in 2001.

Christopher P Langley, OBE, Director (Age: 57)

Mr Langley has been a Director of the Company since August 2001. He began his career with HSBC group in 1961. He was appointed an executive director of The Hongkong and Shanghai Banking Corporation Ltd. in 1998 and retired from the HSBC Group in February 2000. He is now a director of Winsor Properties Holdings Ltd., Lei Shing Hong Ltd. and Techtronic Industries Co. Ltd. He was awarded an OBE in 1996.

Quinn Y K Law, Director (Age: 49)

Mr Law has been a Director of the Company since 1998. He is also a director of Wheelock, which is deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Arthur K C Li, GBS, JP, Director (Age: 56)

Professor Li has been a Director of the Company since October 2001. He is the vice-chancellor of The Chinese University of Hong Kong since 1996. He was formerly the foundation professor of surgery and the chairman of the department as well as dean of the faculty of medicine at The Chinese University of Hong Kong. He is also a non-executive director of The Bank of East Asia Limited, The China Mobile (Hong Kong) Limited and Henderson Cyber Limited as well as serving as the non-executive chairman of the Regal Hotel Group plc.

K H Leung, Director (Age: 57)

Mr Leung has been a Director of the Company since 1998. He is also the finance director of Wheelock and a director of New Asia. Furthermore, he is a director of Diplock Holdings Limited and WF Investment, which, as well as Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

Ian H Melrose, Director (Age: 62)

Mr Melrose has been a Director of the Company since 1996. He is also the vice chairman of COL Limited.

T Y Ng, Director (Age: 54)

Mr Ng has been a Director of the Company since 1998. He is also a director of Wheelock, HCDL, Joyce, New Asia, Realty Development Corporation Limited and MPDL in Singapore. Furthermore, he is a director of WF Investment, which, as well as Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

James E Thompson, Director (Age: 62)

Mr Thompson has been a Director of the Company since September 2001. He established his company, Crown Worldwide, in Japan in 1965. He is the chairman of the American Chamber of Commerce in Hong Kong and he also serves on the Hong Kong – United States Business Council, the Hong Kong Japan Business Co-operation Committee, and the Hong Kong Korea Business Roundtable.

(II) Senior Management

Various businesses of the Group are respectively under the direct responsibility of the Chairman, the Senior Deputy Chairman, the Deputy Chairman and Managing Director, and the other two Directors holding executive offices of the Company as named under (A)(I) above. Only those five Directors are regarded as members of the Group's senior management.

(B) Pension Schemes

Set out below are certain particulars regarding pension schemes operated by the Group:

(I) Nature of Schemes

The Group currently operates a number of pension schemes. The schemes are available to the employees of the Group. The assets of the schemes are held separately by independently administered funds.

(II) Funding of the Principal Schemes

The Group's principal defined contribution schemes are funded by contributions from employees and employers. The employees and employers contribute respectively to the schemes sums which represent percentages of the employees' salaries as defined under the relevant trust deeds.

The Group's principal defined benefit schemes are funded by contributions from the employers which are in accordance with recommendations made by the actuaries based on their valuation.

(III) Forfeited Contributions

For the defined contribution scheme, the contributions are expensed as incurred and may be reduced by contributions forfeited by those employees who have left the scheme prior to vesting fully in the contributions.

(IV) Cost of all Schemes

The Group's total retirement costs charged to profit and loss account during the year ended December 31, 2001 amounted to HK\$103 million after a forfeiture of the Group's contributions of HK\$10 million.

Note: The total employers' pension cost in respect of all pension schemes of the Group, including the cost related to the Mandatory Provident Fund which is not operated by the Group, charged to profit and loss account during the year ended December 31, 2001 amounted to HK\$124 million.

(V) Results of Valuation

The outline of results of valuation of the Group's principal defined benefit schemes are set out below:

Name of valuers	Method of valuation	Date of valuation	Adopted salary increase	Adopted investment return	Funding ratio
a) HSBC Life	Individual Entry Age Normal Cost Method	April 30, 2001	6%	7%	104%
b) Watson Wyatt Hong Kong Limited	Attained Age Method	December 31, 2001	0% for 2002 2% for 2003/04 4% for 2005 and thereafter	4.5%	91.8%

(C) Executive Share Incentive Scheme (the "Scheme") of the Company

(I) Summary of the Scheme

(a) Purpose of the Scheme:

To give executives of the Group the opportunity of acquiring an equity participation in the Company, to continue to provide them with the motivation and incentive to give their best contribution towards the Company's continued growth and success.

(b) Participants of the Scheme:

Any employee of the Company or any of its subsidiary holding an executive, managerial, supervisory or similar position, including a Director of the Company or any of its subsidiary holding executive office, who accepts the offer of the grant of an option in accordance with the terms of the Scheme.

(c) (i) Total number of ordinary shares of HK\$1 each in the capital of the Company (the "Shares") available for issue under the Scheme as at December 31, 2001:

122,337,731

(ii) Percentage of the issued share capital that it represents as at December 31, 2001:

5%

(d) Maximum entitlement of each participant under the scheme as at December 31, 2001:

Not more than:

- 10% of the maximum number of Shares available for subscription under the terms of the Scheme; or
- in terms of amount of the aggregate subscription price, such amount of aggregate subscription price in respect of all the Shares for which an employee is granted options in any financial year as would exceed five times his or her gross annual remuneration.

(e) Period within which the Shares must be taken up under an option:

Within ten years from the date on which the option is granted or such shorter period as the Board of Directors may approve.

(f) Minimum period for which an option must be held before it can be exercised:

One year from the date on which the option is granted.

(g) (i) Price payable on application or acceptance of the option:

HK\$1.00

(ii) The period within which payments or calls must or may be made or loans of such purposes must be repaid:

7 days after the offer date of an option.

(h) Basis of determining the exercise price:

Pursuant to rule 17.03 (9) of the Listing Rules, the exercise price must be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(i) the remaining life of the scheme:

6 years

(II) Details of share options granted

Details of share options granted to Directors of the Company are set out in the section headed "Directors' interests in shares" in the Report of the Directors.

Particulars, and movements during the financial year, of the Company's outstanding share options, which were granted to 21 employees (including all those Directors who were granted share options) working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance, are as follows:

	Date Granted (DD/MM/YY)	No. of outstanding share options as at 1/1/2001	No. of share options exercised during the financial year	No. of outstanding share options as at 31/12/2001	Period during which rights exercisable (DD/MM/YY)	Price per share to be paid on exercise of options (HK\$)	Consi- deration paid for the options granted (HK\$)
(i)	Aug. 13, 1991	200,000	(200,000)	–	13/08/1994 to 12/08/2001	9.50	1.00
(ii)	Apr. 16, 1992	930,000	(250,000)	680,000	13/04/1995 to 12/04/2002	12.00	1.00
(iii)	Jun. 22, 1993	1,853,000	(30,000)	1,823,000	17/06/1996 to 16/06/2003	19.00	1.00
(iv)	Aug. 1, 1996	330,000	–	330,000	01/08/2002 to 31/07/2003	25.00	1.00
(v)	Aug. 1, 1996	440,000	–	440,000	01/08/2005 to 31/07/2006	25.00	1.00
		3,753,000	(480,000)	3,273,000			

A total of 480,000 ordinary shares were subscribed by the employees (including all those Directors who were granted share options) who exercised their options and no share option was cancelled or lapsed during the financial year. Apart from the Directors and employees mentioned above, no option was granted to any other categories of participants as stated in rule 17.07 of the Listing Rules.

(D) Major Customers & Suppliers

For the year ended December 31, 2001:

- (I) the aggregate amount of purchases (not including the 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
- (II) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

(E) Directors' Interests in Competing Business

Set out below is information disclosed pursuant to paragraph 8.10 of the Listing Rules of the Stock Exchange.

Seven Directors of the Company, namely, Messrs P K C Woo, G W J Li, S T H Ng, P Y C Tsui, K H Leung, Q Y K Law and T Y Ng, being also directors of the Company's substantial shareholder, Wheelock, and/or subsidiaries of Wheelock, are considered as having an interest in Wheelock under paragraph 8.10 of the Listing Rules.

Ownership of property for letting and development of properties for sale and/or investment carried on by Wheelock and subsidiaries of Wheelock constitute competing businesses of the Group.

The ownership of commercial premises by the Wheelock group for rental purposes is considered as competing with the commercial premises owned by the Group. Since the Group's commercial premises are not in the vicinity of those owned by the Wheelock group's and are targeted at different customers and would attract different tenants compared to those of the Wheelock group, the Group considers that its interest regarding the business of owning and letting of commercial premises is adequately safeguarded.

The development of properties for sale and/or investment purposes by the Wheelock group is also considered as a competing business of the Group. However, the Group itself has under its own employment a strong and independent property development team. The Group is therefore capable of carrying on its property development business independently of the Wheelock group.

For safeguarding the interests of the Group, the independent non-executive Directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's development of properties for sale and/or investment and property leasing businesses are and continue to be run on the basis that they are independent of, and at arm's length from, those of the Wheelock group.

(F) Disclosure of Connected Transaction

Pursuant to a Sale and Purchase Agreement and a Sale of Loan Agreement (together, the “Agreements”) entered into on July 18, 2001, a wholly-owned subsidiary of the Company agreed to acquire from a wholly-owned subsidiary of Wheelock and Company Limited (“Wheelock”) a 100% effective interest in several sites at Yau Tong (the “Properties”). As the Company is a 48%-owned associate of Wheelock, the transaction constituted a connected transaction for the Company under the Listing Rules.

The Properties represent a 34.06% share in a joint venture with various independent third parties, established for a large scale development project. In-principle approval has been obtained from the Town Planning Board for development of the lots into GFA of approximately 10.8 million square feet. The Properties will be injected into a joint venture company in which the Group will have an effective interest of 15.6% if the proposed development is finalised.

The consideration for the acquisition of the Properties was approximately HK\$753 million which was paid upon signing of the Agreements.

The Company considered its long term investment property portfolio has reached an optimal size, and it is essential for the Company to sustain its property development business by replenishing its depleting development landbank as and when opportunities arise.

(G) Compliance with Code of Best Practice

The Company has complied throughout the year the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Stock Exchange. Nevertheless, a connected transaction as described in the preceding paragraph, being a matter involving conflict of interest of the Company’s substantial shareholder, namely, Wheelock, was approved by resolutions in writing of the Directors of the Company (being technically as valid as and equivalent to resolutions passed at a Directors’ meeting), and not approved by resolutions passed at a full board meeting of the Company as stipulated under paragraph 11 of the abovementioned Code of Best Practice.