

12. Interest-bearing Bank Loans and Other Loans, Current

	31 December 2001 HK\$'000	31 December 2000 HK\$'000
Current portion of bank loans	—	15,458
Interest-bearing Bank Loans And Other Loans, Non-current		
	31 December 2001 HK\$'000	31 December 2000 HK\$'000
Bank loans:		
Secured	—	15,458
Loans from a fellow subsidiary:		
Unsecured	200,000	749,414
	<u>200,000</u>	<u>764,872</u>
Bank loans repayable:		
Within one year	—	15,458
Loans from a fellow subsidiary repayable:		
Within one year	—	—
In the second year	200,000	749,414
	<u>200,000</u>	<u>749,414</u>
Portion classified as current liabilities	200,000	764,872
Long term portion	—	(15,458)
	<u>200,000</u>	<u>749,414</u>

The loans from a fellow subsidiary of HK\$200,000,000 (2000: HK\$749,414,000) are unsecured, interest-bearing at Hong Kong prevailing market rates and repayable after one year.

As at 31 December 2001, certain of the Group's banking facilities are secured by:

- First legal charges on certain investment properties of the Group situated in Hong Kong with an aggregate carrying value of approximately HK\$28,760,000 (2000: HK\$29,508,000), and
- First legal charges on certain leasehold land and buildings of the Group with an aggregate carrying value of approximately HK\$47,979,000 (2000: HK\$52,779,000).

As at 31 December 2000, certain of the Group's banking facilities are secured by:

- Fixed charges on certain of the loan instalments receivables of the Group in total of HK\$145,000,000 (note 8), and
- Fixed charges on certain of the inventories with carrying value in total of HK\$22,496,000.

13. Commitments

	31 December 2001 HK\$'000	31 December 2000 HK\$'000
Total future minimum lease payment under non-cancellable operating leases in respect of land and buildings falling due		
Within one year	117	234
In the second to fifth year, inclusive	—	117
	<u>117</u>	<u>351</u>

14. Contingent Liabilities

	31 December 2001 HK\$'000	31 December 2000 HK\$'000
(a) Guarantees given to banks to secure credit facilities of subsidiaries	—	—
Extent of the guaranteed credit facilities utilised at the balance sheet date	—	—
(b) Guarantees under co-financing arrangements given to:		
Ultimate holding company	770	770
Other co-financing banks	898	9,186
	<u>1,668</u>	<u>9,956</u>
(c) Letters of undertaking in respect of the surplus sale proceeds of taxi licences and cabs received from banks	2,047	—
(d) Various ex-employees of a restaurant formerly operated by a subsidiary of the Group served summons in July 2000 to the subsidiary seeking to file their respective statements of claim under representative action concerning employment related matters. At the hearing before the court on 10 July 2001, the court dismissed the ex-employees' applications. The ex-employees have to file their statements of claim individually if they wish to proceed with their claims. So far, the Group is not aware of any statement of claim having been filed. Based on legal advice, any such claim will be defended by the subsidiary.	—	—

15. Comparative Amounts

Due to the adoption of new SSAPs during the current year, certain comparative amounts have been reclassified to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Winton Holdings (Bermuda) Limited and its subsidiaries (the "Group") recorded a profit after tax and minority interests of HK\$73.0 million for the year ended 31 December 2001, as compared to HK\$4.9 million recorded in the previous financial year, despite a weak economy in Hong Kong, especially during the second half of year 2001. The Group's earnings per share rose to 13.4 cents per share against a loss per share of 2.1 cents for the previous year.

The marked improvement in the Group's net profit was mainly attributed to a significant reduction in finance costs by 64.5% or HK\$54.9 million as a result of a decrease in borrowing costs and a reduction in bank borrowings, a reduction in provisions for bad and doubtful debts by 64.0% or HK\$45.1 million due to lower default in taxi financing loans, an increase in commission income by 18.8% or HK\$3.9 million from referral of taxi financing loans to the Group's panel of financiers, and a decrease in commission expenses by 98.0% or HK\$12.9 million from lower amortisation and write-off of commission expenses. The Directors recommended the payment of a final dividend of 7 cents per share (2000: Nil) to the ordinary shareholders for the year ended 31 December 2001.

Business Performance

Despite a difficult operating environment and weak economic conditions in Hong Kong, the Group achieved a remarkable increase in net profit to HK\$73.0 million for the year ended 31 December 2001, following the successful turnaround to profit of HK\$4.9 million for the year 2000.

During the year, the taxi licence prices have remained stable. The income level of taxi owners and hirers had improved due to higher rental income, lower taxi financing instalment payments with lower interest rates on taxi financing loan, and lower operating cost on conversion to the use of cheaper liquefied petroleum gas. These favorable factors have contributed to lower defaults in taxi financing loans, resulting in a reduction in the Group's provisions for bad and doubtful debts from HK\$70.4 million in 2000 to HK\$25.3 million in 2001.

During the year, the Group recorded a higher turnover in taxi trading activities with an increase in the sales of new taxi cabs as more taxi owners converted their diesel taxis to liquefied petroleum gas taxis and benefited from the special subsidy granted by the Government. Consequently, the Group's taxi financing activities increased and more taxi financing loans were referred to the Group's panel of financiers, resulting in the increase of the Group's commission income by 18.8% or HK\$3.9 million to HK\$24.7 million for the year from HK\$20.8 million in 2000.

In the past few years, as the Group has booked in fewer number of new taxi financing loans but instead referred the financing business to its panel of financiers and generated higher fee income, the Group's amortisation and write-off of commission expenses also fell by HK\$12.9 million to HK\$0.3 million in 2001.

During the year, a higher level of early settlement of taxi financing loans was also recorded due to refinancing of taxi financing loans by hirers. After taking into account loan repayments, early settlements, and bad debts written off during the year, the Group's taxi loans instalment receivables net of provisions for bad and doubtful debts contracted by 59.4% or HK\$679.2 million to HK\$463.7 million as at the end of 2001 from HK\$1,142.9 million as at the end of 2000. The Group wrote-off HK\$19.0 million in defaulted taxi financing loans in the year against HK\$91.0 million in the previous year.

The funds generated from loan repayments and early settlements of taxi financing loans were utilized to repay HK\$564.9 million in bank borrowings. At the end of 2001, the Group's bank borrowings fell to HK\$200.0 million from HK\$764.9 million at the end of 2000. Coupled with a succession of interest rate cuts during the year, the Group's finance costs reduced significantly by 64.5% or HK\$54.9 million to HK\$30.2 million in 2001 from HK\$85.1 million in 2000.

Liquidity and Capital Expenditures

The Group's shareholders' funds increased to HK\$1,041.4 million as at 31 December 2001 from HK\$985.2 million as at 31 December 2000.

Despite having repaid HK\$564.9 million in bank borrowings, the Group's cash and cash equivalents, which included the net proceeds from the issue of the convertible preference shares in the year 2000, stood at HK\$382.3 million as at 31 December 2001. Thus, the Group has available funds as working capital for its taxi trading and taxi financing businesses.

Based on the total bank borrowings and shareholders' funds as at 31 December 2001, the Group's gearing ratio stood at 0.19 as compared to 0.78 at the end of 2000.

During the year, the Group did not create additional charges on its assets to secure banking facilities nor incur any material capital expenditure commitment.

The Group's principal operations are conducted and recorded in Hong Kong dollars. During the year, the Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure.

Human Resources

The Group adopts a competitive remuneration package for its employees. In addition, based on the Group's business performance and individual performance, discretionary bonus may be granted to eligible staff. Social activities are organised to foster team spirit amongst the staff. Staff training and development programmes are also conducted from time to time.

Contingent Liabilities

Under the co-financing arrangements, the Group has extended guarantees to its co-financing banks for certain taxi financing loans. As at 31 December 2001, the outstanding guarantees given to the co-financing banks decreased to HK\$1.67 million from HK\$10.0 million as at the end of 2000.

During the year, the Group has issued letters of undertaking to one of the financiers of taxi financing loans to refund any surplus sale proceeds from disposal of repossessed taxi licences and taxi cabs from defaulted taxi hirers under the security arrangements for terms loans granted to these hirers. At the end of 2001, the letters of undertaking issued amounted to HK\$2.05 million.

As regards to the summons served by certain ex-employees of a restaurant formerly operated by a subsidiary of the Group seeking to file their statement of claims under a representative action on employment related matters, the Court has dismissed the ex-employees' applications on 10 July 2001. The ex-employees would have to file their statement of claims individually if they wish to proceed with their claims. So far, the Group is not aware of any statement of claim having been filed. Based on legal advice, any such claim will be defended by the subsidiary.

DIVIDEND

The Board of Directors has recommended the payment of a final dividend of 7 cents (2000: nil) per share payable on 21 March 2002 to the ordinary shareholders whose names appear on the Register of Ordinary Shareholders of the Company on 28 February 2002.

The Board of Directors has not declared any interim dividend during the financial year (2000: nil).

CLOSURE OF REGISTER OF ORDINARY SHAREHOLDERS

The Register of Ordinary Shareholders will be closed from 22 February 2002 to 28 February 2002, both days inclusive, during which period no transfer of ordinary shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Central Registration Hong Kong Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on 21 February 2002.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The Annual Report of the Company containing all the information required under the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
TAN Yoke Kong
Director

Hong Kong, 16 January 2002



WINTON HOLDINGS (BERMUDA) LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2002 Annual General Meeting of Winton Holdings (Bermuda) Limited (the "Company") will be held at Ivy Room, 10th Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Thursday, 28 February 2002 at 10:00 a.m. for the following purposes:-

As Ordinary Business:

- To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended 31 December 2001.
- To declare a final dividend for the year ended 31 December 2001.
- To re-elect retiring Directors and to authorise the Board of Directors to fix their remuneration.
- To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.

As Special Business:

- To consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:-
 - "THAT:-
 - subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase ordinary shares in the capital of the Company be and is hereby generally and unconditionally approved;
 - pursuant to the approval in paragraph (a) of this Resolution, the aggregate nominal amount of ordinary shares which may be purchased on The Stock Exchange of Hong Kong Limited ("Stock Exchange") shall not exceed 10% of the aggregate nominal amount of ordinary shares in the capital of the Company in issue as at the date of the passing of the Resolution, and the said approval shall be limited accordingly; and
 - for the purpose of this Resolution:-

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:-

 - the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
 - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."
 - "THAT:-
 - subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional ordinary shares in the capital of the Company or securities convertible into ordinary shares, or options, warrants or similar rights to subscribe for any ordinary shares, or such convertible securities, and to make or grant offers, agreements and options which might require the exercise of such power, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
 - the aggregate nominal amount of ordinary shares in the capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of options granted under any share option scheme adopted by the Company or (iii) any scrip dividend or similar arrangement providing for allotment of ordinary shares in lieu of the whole or part of a dividend on ordinary shares of the Company in accordance with the bye-laws of the Company from time to time, shall not exceed the aggregate of 20% of the aggregate nominal amount of ordinary shares in the capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
 - for the purpose of this Resolution:-

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:-

 - the conclusion of the next annual general meeting of Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
 - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the ordinary shareholders of the Company in general meeting.

"Rights Issue" means an offer of ordinary shares open for a period fixed by the Directors of the Company to ordinary shareholders of the Company on the register on a fixed record date in proportion to their then holdings of ordinary shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

- "THAT the general mandate referred to in Resolution No. 5(B) of the Notice of this meeting be extended by adding the aggregate nominal amount of ordinary shares which shall have been purchased by the Company pursuant to Resolution No. 5(A) of the Notice of this Meeting to the aggregate nominal amount of ordinary shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company, provided that such amount shall not exceed 10% of the aggregate nominal amount of ordinary shares in the capital of the Company in issue as at the date of the passing of this Resolution."

- To consider and, if thought fit, pass the following resolution as a Special Resolution:

"THAT:-

subject to the approval of the Registrar of Companies in Hong Kong, "運通泰集團(百慕達)有限公司" be adopted as the Chinese name of the Company to be registered in Hong Kong."

- To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"THAT conditional upon:

- the Listing Committee of the Stock Exchange granting approval of (i) the new share option scheme of the Company (the "New Scheme"), a copy of which has been produced at the meeting marked "A" and signed by the Chairman for identification purpose; (ii) the options to be granted under the New Scheme; and (iii) the listing of and permission to deal in the new shares to be issued pursuant to the exercise of the options under the New Scheme;
- the approval of the New Scheme by the shareholders of JCG Holdings Limited in general meeting; and
- (if so required) the approval of the New Scheme by the shareholders of Public Bank Berhad and (if so required) by the Kuala Lumpur Stock Exchange by no later than twelve calendar months after the adoption date (i.e. 28 February 2002).

the New Scheme be and is hereby approved and adopted and that the Directors of the Company be and are hereby authorised (i) to grant options under the New Scheme; and (ii) to do such things and acts as may be necessary or expedient in connection with the administration and implementation of the New Scheme in accordance with the rules set out therein."

By Order of the Board
CHAN Sau Kuen
Company Secretary

Hong Kong, 16 January 2002

Notes:

- The Register of Members will be closed from 22 February 2002 to 28 February 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Registrar, Central Registration Hong Kong Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 21 February 2002.
- A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's head office and principal place of business at Room 1101-1110, 11th Floor, Phase I, Argyle Centre, 688 Nathan Road, Mongkok, Kowloon, Hong Kong not later than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be).
- Concerning item no. 5(A) of this Notice, approval is being sought from members for a general mandate to be given to the Directors to repurchase ordinary shares. The Directors wish to state that they have no immediate plan to purchase ordinary shares in the Company.
- Concerning item no. 5(B) above of this Notice, approval is being sought from members for a general mandate to authorise allotment of ordinary shares in the capital of the Company in order to give flexibility to the Directors in the event that it becomes desirable to issue any additional ordinary shares of the Company. The Directors have no immediate plan to issue any new ordinary shares of the Company pursuant to such approval.
- Concerning item no. 5(C) of this Notice, approval is being sought from members for an extension of the general mandate sought to be granted to the Directors of the Company to allot ordinary shares by adding to it the number of ordinary shares, if any, which are repurchased under the authority granted pursuant to the Resolution contained in item no. 5(A) of this Notice.
- A circular containing the information regarding Resolutions Nos. 6 and 7 of this Notice together with an explanatory statement in relation to Resolution No. 5(A) of this Notice will be despatched to the members together with the Company's 2001 Annual Report.