

董事會報告



REPORT OF THE DIRECTORS



董事會報告 REPORT OF THE DIRECTORS

董事欣然提呈本公司截至二零零零年十二月三十一日止年度之年報及經審核賬目。

主要業務

本公司為一間投資控股公司。本公司之主要附屬公司之主要業務載於賬目附註36。

主要附屬公司

本公司之主要附屬公司之詳情載於賬目附註36。

業績及分配

本集團截至二零零零年十二月三十一日止年度之業績及本公司截至二零零零年十二月三十一日止年度之分配載於年報第39頁之綜合收益表及隨附之賬目附註。

董事建議向於二零零一年五月十八日名列本公司股東登記冊之股東派付末期股息每股0.035港元及特別股息每股0.03港元。連同年內已派付之中期股息每股0.015港元合計，年內派付之股息總額為每股0.08港元。有關股息之詳情載於賬目附註9。

儲備

本公司及本集團在年內之儲備變動詳情載於賬目附註24。

The Directors have pleasure in presenting their annual report and the audited financial statements of the Company for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 36 to the financial statements.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are set out in the note 36 to the financial statements.

RESULT AND APPROPRIATIONS

The results of the Group and the appropriations of the Company for the year ended 31st December, 2000 are set out in the consolidated income statement on page 39 of the annual report and in the accompanying notes to the financial statements.

The Directors recommend the payment of a final dividend of HK\$0.035 per share and a special dividend of HK\$0.03 per share payable to shareholders whose names appeared on the register of members on 18th May, 2001 which, together with the interim dividend of HK\$0.015 per share paid during the year, gives a total dividend of HK\$0.08 per share for the year. Details of the dividends are set out in note 9 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 24 to the financial statements.

物業、機器及設備

本集團在年內為擴充本集團之業務而購入廠房及機器合共支出約63,744,000港元。有關之詳情及本集團在年內之物業、機器及設備之其他變動詳情載於賬目附註11。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$63,744,000 on the acquisition of plant and machinery for the purpose of expanding the Group's business. Details of this and other movements in property, plant and equipment of the Group during the year are set out in note 11 to the financial statements.

業績、資產及負債

下表乃本集團截至二零零零年十二月三十一日止五個年度之綜合業績、資產及負債概要。

RESULTS, ASSETS AND LIABILITIES

The following table summarises the consolidated results, assets and liabilities of the Group for the five years ended 31st December, 2000.

		二零零零年 2000 千港元 HK\$'000	一九九九年 1999 千港元 HK\$'000	一九九八年 1998 千港元 HK\$'000	一九九七年 1997 千港元 HK\$'000	一九九六年 1996 千港元 HK\$'000
股東應佔溢利	Profit attributable to shareholders	30,497	31,833	51,940	28,847	24,849
總資產	Total assets	611,176	524,417	419,187	347,847	209,682
總負債	Total liabilities	(293,536)	(218,905)	(185,892)	(181,890)	(113,864)
少數股東權益	Minority Interests	(106,086)	(101,460)	(40,170)	(75,229)	(59,549)
股東資金	Shareholders' funds	211,554	204,052	193,125	90,728	36,269

本集團截至一九九八年十二月三十一日止三個年度之業績、資產及負債乃根據合併之基準而編製，猶如本集團於一九九八年六月開始生效之企業架構重組計劃在截至一九九八年十二月三十一日止三個年度整段時期內一直存在。

The results, assets and liabilities of the Group for each of the three years ended 31st December, 1998 have been prepared on a combined basis as if the Group structure, which became effective in June 1998, had been in existence throughout the three years ended 31st December, 1998.

借貸及資本化利息

須於一年內償還或即期償還之銀行貸款、其他借貸及融資租約承擔均列作流動負債。於二零零零年十二月三十一日之該等借貸之還款分析分別載於賬目附註21及20。

本集團在年內並無將任何利息資本化。

流動資金及財政資源

於二零零零年十二月三十一日，現金及銀行結餘（包括已抵押銀行存款）合共為59,996,000港元（一九九九年：75,228,000港元）。計息之負債合共為201,331,000港元（一九九九年：141,667,000港元）。股東資金與少數股東權益合共為317,640,000港元（一九九九年：305,512,000港元）。淨資產負債比率（計息負債減現金／股東資金與少數股東權益）為44.5%（一九九九年：21.8%），此乃由於銀行結餘減少及因發展及經營業務而引致銀行借貸增加之故。

股本及購股權

本公司之股本及購股權詳情分別載於賬目附註22及23。

BORROWINGS AND INTEREST CAPITALISED

Bank loans, other borrowings and obligations under finance leases repayable within one year or on demand are classified as current liabilities. Repayment analysis of these borrowings at 31st December, 2000 are set out in notes 21 and 20 to the financial statements respectively.

No interest was capitalised by the Group during the year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2000, the cash and bank balances (including pledged bank deposits) amounted to HK\$59,996,000 (1999: HK\$75,228,000). The interest bearing liabilities amounted to HK\$201,331,000 (1999: HK\$141,667,000). The shareholders' equity plus minority interests amounted to HK\$317,640,000 (1999: HK\$305,512,000). The net debt to equity ratio (Interest bearing liabilities less cash/Shareholders' equity plus minority interests) was 44.5% (1999: 21.8%) due to a decrease in bank balances and an increase in bank borrowings for the purpose of business expansion and operations.

SHARE CAPITAL AND SHARE OPTIONS

Details of the share capital and share options of the Company are set out in notes 22 and 23 to the financial statements, respectively.

董事會報告 REPORT OF THE DIRECTORS

董事

以下乃年內及截至本報告日期為止之本公司董事會成員：

執行董事

許經振先生 (主席)

丘少明先生

許檳榔先生

李春仁先生

周勁先生

王鳳舞先生

非執行董事

林文燦先生

(於二零零一年一月三十一日退任)

謝國雄先生

(於二零零零年七月十八日退任)

獨立非執行董事

林炳昌先生

吳志揚先生

許檳榔先生及林炳昌先生將根據本公司之公司細則第87條之規定，在即將舉行之股東週年大會上依章告退，惟彼等已表示願意膺選連任。

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Hui King Chun, Andrew (*Chairman*)

Mr. Yau Chau Min, Paul

Mr. Hui Bin Long

Mr. Li Chun Ren

Mr. Zhou Jin

Mr. Wang Feng Wu

Non-executive directors

Mr. Lam Man Chan (*resigned on 31st January, 2001*)

Mr. Tse Kwok Hung, Allen (*resigned on 18th July, 2000*)

Independent non-executive directors

Mr. Lam Ping Cheung, Andrew

Mr. Ng Chi Yeung, Simon

Mr. Hui Bin Long and Mr. Lam Ping Cheung, Andrew will retire at the forthcoming annual general meeting in accordance with Article 87 of the Bye-Laws of the Company and, being eligible, will offer themselves for re-election.

董事及高級管理人員之履歷

執行董事



許經振先生，50歲，本集團創辦人兼本公司主席及董事總經理。許先生負責本集團的整體管理及企業發展政策和策略，以及與

中華人民共和國（「中國」）多個不同的地方政府及有關當局協商。他在管理及製造方面積逾二十二年經驗，包括在印刷及包裝業的八年經驗。許先生亦是毅力工業集團有限公司（一間於香港聯合交易所有限公司（「聯交所」）上市之公司）之執行董事。

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Executive directors

Mr. Hui King Chun, Andrew, aged 50, is the founder of the Group and chairman and managing director of the Company. Mr. Hui is responsible for the overall management and development of corporate policy and strategy of the Group, and the liaison with various local governments and authorities in the PRC. He has over 22 years' experience in management and manufacturing, including 8 years' experience in the printing and packaging business. Mr. Hui is also an executive director of Ngai Lik Industrial Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

丘少明先生，MCIM，37歲，本集團總經理，負責處理日常業務運作、製訂本集團的行政政策和市場推廣策略及全面管理本集團的銷售活動。他在國立台灣大學畢業並取得經濟學士學位後，遠赴英國深造，並畢業於英國華威大學，獲工商管理碩士學位。丘先生曾任職於多間國際公司，在市場推廣及銷售、企業財務及管理方面積逾十二年經驗。他於一九九四年六月加盟本集團。



Mr. Yau Chau Min, Paul, MCIM, aged 37, is the general manager of the Group and is responsible for daily operations, setting up administration policies, devising the Group's marketing strategy and overall management of the Group's sales activities. He holds a MBA degree from the University of Warwick in the United Kingdom after graduating from National Taiwan University with a Bachelor of Arts in Economics. Mr. Yau has had over 12 years' experience in marketing and sales, corporate finance and management with several multinational companies. He joined the Group in June 1994.

許檳榔先生，53歲，負責為本集團之印刷技術及應用進行研究及發展；製訂及維持一個高效率及有效的印刷運作系統，並就產品種類及滲透市場提供意見。許先生在印刷業積逾二十二年經驗。他於一九九三年六月加盟本集團。



Mr. Hui Bin Long, aged 53, is responsible for the Group's research and development in printing technology and applications, establishing and maintaining an effective and efficient printing operation system and providing advice as to product variety and market penetration. Mr. Hui has had more than 22 years' experience in printing operations. He joined the Group in June 1993.



李春仁先生，68歲，乃一九九三年雲南僑通包裝印刷有限公司（「雲南僑通合資企業」）成立時其中一位創建員工，現為雲南僑通

合資企業的副董事長。他在中國製造業方面有豐富經營及管理經驗。

Mr. Li Chun Ren, aged 68, was one of the founding staff members of Yunnan Qiaotong Package Printing Co., Ltd. ("Yunnan Qiaotong JV") in 1993 and is currently its vice chairman. He has extensive operational and management experience in the PRC manufacturing industry.

周勁先生，41歲，負責雲南僑通合資企業之整體管理，乃雲南僑通合資企業其中一位創建員工，現為雲南僑通合資企業總經理。周先生乃中國之高級經濟師，於中國社會科學院研究所商貿經濟專業碩士研究生畢業。他在一九九三年三月加入本集團前分別在中國雲南省一所大學及一間政府機關內從事學術及研究活動。



Mr. Zhou Jin, aged 41, is responsible for the overall management of Yunnan Qiaotong JV. He was one of the founding staff members of Yunnan Qiaotong JV and is currently also its general manager. Mr. Zhou is a senior

economist in the PRC and graduated from the Graduate School of Social Science College of the PRC with a major in business and economics. Prior to joining the Group in March 1993, he was engaged in academic and research activities with a university and a governmental bureau respectively in Yunnan Province, the PRC.



王鳳舞先生，46歲，負責哈爾濱高美印刷有限公司（「哈爾濱高美合資企業」）的整體管理，為哈爾濱高美合資企業的總經理。王先生

為中國之經濟師，畢業於中國北京印刷學院。一九九三年三月加盟本集團之前，他在中國印刷業積逾二十年生產及管理經驗。

Mr. Wang Feng Wu, aged 46, is responsible for the overall management of Harbin Gaomei Printing Company Limited ("Harbin Gaomei JV"). He is the general manager of Harbin Gaomei JV. Mr. Wang is an economist in the PRC and a graduate of Beijing Printing College, the PRC. Prior to joining the Group in March 1993, he had over 20 years' experience in operation and management in the PRC's printing industry.

非執行董事



林文燦先生，51歲，曾為本公司項目投資部主管，該部門致力物色新投資項目的發展機會。林先生於一九六九年畢業於世界電機工程學校，並於一九九四年獲頒香港年青工業家獎。一九九三年六月加盟本集團之前，他已在製造業積逾二十年經驗。他亦是毅力工業集團有限公司之主席。林先生於二零零一年一月三十一日退任。

Non-executive director

Mr. Lam Man Chan, aged 51, was head of the project investment division of the Company which is responsible for identifying new project investment opportunities. Mr. Lam graduated from The World Electric Engineering College in 1969 and was granted the Young Industrialist Award of Hong Kong in 1994. Prior to joining the Group in June 1993, he had over 20 years' experience in the manufacturing industry. He is also chairman of Ngai Lik Industrial Holdings Limited. Mr. Lam resigned on 31st January, 2001.

獨立非執行董事



林炳昌先生，49歲，為香港合資格律師及香港律師行林炳昌律師事務所之創辦人及資深合夥人。林先生亦是多間香港上市公司之非執行董事，包括毅力工業集團有限公司、金源米業有限公司、新豐集團有限公司、互聯控股有限公司、恆盛東方控股有限公司及確利達包裝國際控股有限公司。他於一九九八年五月加盟本集團。

Independent non-executive directors

Mr. Lam Ping Cheung, Andrew, aged 49, is qualified as a solicitor in Hong Kong. He is the founder and senior partner of Messrs. C.L. Chow & Lam, a law firm in Hong Kong. He is also a non-executive director of several public listed companies in Hong Kong including Ngai Lik Industrial Holdings Limited, Golden Resources Development International Limited, Symphony Holdings Limited, China United Holdings Limited, Hansom Eastern (Holdings) Limited and Qualipak International Holdings Limited. He joined the Group in May 1998.



吳志揚先生，43歲，為香港、英格蘭及威爾斯之合資格律師、新加坡註冊大律師、澳洲首都地區的大律師。吳先生乃香港吳志揚、謝佳坡律師事務所之資深合夥人，亦是兩間香港上市公司之獨立非執行董事，包括毅力工業集團有限公司、永發置業投資有限公司。吳先生持有英國Manchester Metropolitan University學士學位及持有中國法及比較法之法學碩士學位。他於一九九八年五月加盟本集團。

Mr. Ng Chi Yeung, Simon, aged 43, is qualified as a solicitor in Hong Kong, England and Wales, an advocate and solicitor in Singapore, and a barrister in the Australian Capital Territory. He is the senior partner of Ng & Tse, a law firm in Hong Kong. He is also an independent non-executive director of two other publicly listed companies in Hong Kong, namely, Ngai Lik Industrial Holdings Limited and Winfair Investment Company Limited. Mr. Ng holds a bachelor degree from the Manchester Metropolitan University in the United Kingdom and a master degree in Chinese and Comparative Law. He joined the Group in May 1998.

顧問

馬宏泰先生，70歲，負責就雲南僑通合資企業及哈爾濱高美合資企業之業務運作進行實地研究，並為操作人員提供生產技巧及技術的培訓，以及為本集團未來發展方向提出有關產品組合之意見。馬先生在一九九三年六月加盟本集團之前，已經在中國印刷業之運作、技術訓練及管理方面積逾五十年豐富經驗。馬先生乃中國之高級工程師。

高級管理人員

謝煥英小姐，40歲，本公司財務總監及公司秘書，負責本集團整體財務及公司秘書事宜。謝小姐畢業於香港理工大學，獲會計學專業文憑，現任香港會計師公會及英國公認會計師公會會員。她在商業及工業財務管理方面積逾十五年經驗。她於一九九五年十一月加盟本集團。

麥潔瑩女士，33歲，本集團助理項目經理。她負責協調本集團中國生產設備之運作及協助採購各項生產設備、零部件、配件及原材料。她於一九九三年三月加盟本集團。

陳友仁先生，57歲，負責監管雲南僑通合資企業之市場推廣及採購活動。陳先生是雲南僑通合資企業其中一名創建員工，現任雲南僑通合資企業副總經理。陳先生在中國香煙製造業之生產管理方面積逾二十五年經驗。他於二零零一年三月離開本集團。

張靖先生，41歲，受聘於雲南僑通合資企業開業時，現任其副總經理，負責其生產策劃及運作事宜。張先生結業於中國人民大學工商管理碩士研究生班。

Consultant

Mr. Ma Hong Tai, aged 70, is responsible for field study of the operations of Yunnan Qiaotong JV and Harbin Gaomei JV, providing training for operations staff on production technique and workmanship and advising on the direction of the future development for the Group by advising on product combinations. Prior to joining the Group in June 1993, Mr. Ma had over 50 years' experience in operations, technical training and management in the PRC printing industry. He is a senior engineer in the PRC.

Senior management

Ms. Tse Wun Ying, Aster, aged 40, is the financial controller and company secretary of the Company and is responsible for the Group's overall financial and company secretarial matters. Ms. Tse holds a professional diploma in accountancy from the Hong Kong Polytechnic University and is an associate member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants. She has had more than 15 years' experience in financial management in various commercial and industrial sectors. She joined the Group in November 1995.

Ms. Mak Kit Ying, Maggie, aged 33, is the assistant project manager of the Group. She is responsible for coordinating the operation of the Group's production facilities in the PRC and assisting in the procurement of production equipment, spare parts, accessories and raw materials. She joined the Group in March 1993.

Mr. Chen You Ren, aged 57, is responsible for supervising the marketing and procurement activities of Yunnan Qiaotong JV. He was one of the founding staff members of Yunnan Qiaotong JV and is currently its deputy general manager. Mr. Chen has had over 25 years' experience in production management of cigarette manufacture in the PRC. He left the Group in March 2001.

Mr. Zhang Jing, aged 41, has been employed by Yunnan Qiaotong JV since its inception and is currently its deputy general manager. He is responsible for its production planning and operations. Mr. Zhang graduated from the Graduate Course of Business Administration of the People's University of China, the PRC.

董事會報告 REPORT OF THE DIRECTORS

李建平先生，43歲，於二零零一年三月受聘於雲南僑通合資企業，現任其副總經理。李先生在中國香煙製造業之生產管理方面積逾十五年經驗。

Mr. Li Jian Ping, aged 43, has been the deputy general manager of Yunnan Qiaotong JV since March 2001. Mr. Li has had over 15 years' experience in production management of the PRC's cigarette manufacturing industry.

文杰先生，38歲，受聘於雲南僑通合資企業開業時，現任其總工藝師，負責工藝技術。文先生持有中國雲南大學理學士學位。

Mr. Wen Jie, aged 38, has been employed by Yunnan Qiaotong JV since its inception and is currently its chief workmanship officer. He is responsible for its production technique and workmanship. Mr. Wen holds a bachelor degree of science from University of Yunnan, the PRC.

江飛先生，39歲，受聘於雲南僑通合資企業開業時，現任其總工程師，負責設備管理。江先生為中國工程師，持有中國雲南工業大學學士學位。

Mr. Jiang Fei, aged 39, has been employed by Yunnan Qiaotong JV since its inception and is currently its chief engineer. He is responsible for the management of production equipment. Mr. Jiang is an engineer in the PRC and holds a bachelor degree from Yunnan University of Industry, the PRC.

葛祖德先生，38歲，受聘於雲南僑通合資企業開業時，現任其財務經理。葛先生為中國會計師。

Mr. Ge Zu De, aged 38, has been employed by Yunnan Qiaotong JV since its inception and is currently its finance manager. Mr. Ge is an accountant in the PRC.

陶飛虎先生，47歲，受聘於雲南僑通合資企業開業時，現任其銷售經理。他在中國之生產及市場推廣管理方面積逾二十五年經驗。

Mr. Tao Fei Hu, aged 47, has been employed by Yunnan Qiaotong JV since its inception and is currently its sales manager. He has had over 25 years' working experience in production and marketing management in the PRC.

馬桂雲女士，61歲，哈爾濱高美合資企業之財務經理。她在一九九八年三月加盟本集團之前，在中國之財務及會計方面積逾四十年豐富經驗。馬女士為中國會計師。

Ms. Ma Gui Yun, aged 61, is the finance manager of Harbin Gaomei JV. Prior to joining the Group in March 1998, she had over 40 years' experience in finance and accounting in the PRC. Ms. Ma is an accountant in the PRC.

丁寧先生，34歲，哈爾濱高美合資企業生產及品質管理的生產部總調度人。他在一九九四年一月加盟本集團之前，已在中國之印刷業積逾十六年經驗。

Mr. Ding Ning, aged 34, is the chief production coordinator for the production and quality control of Harbin Gaomei JV. Prior to joining the Group in January 1994, he had over 16 years' experience in the PRC's printing industry.

董事擁有之證券權益

於二零零零年十二月三十一日，根據本公司遵照證券(披露權益)條例(「披露權益條例」)第29條而存置之登記冊所記錄或據本公司所知，一位董事擁有本公司股本權益如下：

姓名 Name	權益性質 Nature of interest	股份數目 Number of shares
許經振先生 Mr. Hui King Chun, Andrew	家族(附註) Family (Note)	199,500,000

附註：

該等股份以Accufit Investments Inc.之名義登記。該公司由一項全權信託間接全資擁有，其受益人為許經振先生之家族成員。

除本文件披露者外，於二零零零年十二月三十一日，概無任何本公司董事、彼等之聯繫人士或本公司之行政總裁於本公司或其任何相聯法團之股本中實益或非實益擁有根據披露權益條例而須予披露之權益。

董事購買股份或債券之權利

根據股東於一九九八年六月二日批准之本公司購股權計劃，董事可酌情向合資格僱員(包括本公司及其附屬公司之執行董事)授出購股權，彼等據此可按一個以相等於股份面值或不低於股份在緊接授出購股權之日為止之五個交易日在聯交所之平均收市價之80%(兩者以較高者為準)認購股份。根據有關購股權計劃授出之購股權可認購之股份數目最高不得超逾本公司不時已發行股本之10%。上述計劃自採納以來，並無據此授出任何購股權。

DIRECTORS' INTERESTS IN SECURITIES

As at 31st December, 2000, one of the Directors had the following interests in the share capital of the Company as recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of interests) Ordinance (the "SDI Ordinance") or as notified to the Company:

Note:

These shares are registered in the name of Accufit Investment Inc., a company indirectly wholly-owned by a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew.

Save as disclosed herein, none of the Directors, their associates or chief executives of the Company had any beneficial or non-beneficial interests in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 31st December, 2000.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the share option scheme of the Company approved by the shareholders on 2nd June, 1998, the Directors may at its discretion grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company at a price not less than the higher of the nominal value of the Company's shares and 80% of the average of the closing prices of the Company's shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time. No option has been granted or agreed to be granted under this scheme since its adoption.

除上文所述者外，

- (a) 在本年度內之任何時間內，本公司、其控股公司或其附屬公司概無參與能夠使本公司董事或行政總裁藉着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之任何安排；及
- (b) 概無任何董事、行政總裁、彼等之配偶或18歲以下子女獲授、行使或有權認購本公司股份。

董事服務合約

概無任何擬在應屆股東週年大會上膺選連任之董事與本公司訂立任何不作補償(法定賠償除外)則不可於一年內終止之服務合約。

董事於合約之權益

除賬目附註34所載與僑威互惠國際有限公司(「僑威互惠」)進行之交易外，本公司、其控股公司或其任何附屬公司概無參與訂立任何年終或年內任何時間有效，並與本集團業務有重大關係之合約，而本公司董事亦無直接或間接擁有任何重大權益。

主要股東

於二零零零年十二月三十一日，除上文「董事擁有之證券權益」一節披露有關董事之股份權益外，根據本公司遵照披露權益條例第16(1)條之規定而存置之主要股東登記冊所載，概無任何其他人士擁有本公司股本權益10%或以上。

Apart from the above,

- (a) at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, chief executives, their spouses or children under the age of 18 had been granted, or exercised, any right to subscribe for shares in the Company.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from transactions entered into with Kith Mutual Benefits International Limited ("Kith Mutual") as set out in note 34 to the financial statements, no contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2000, other than the interests in shares disclosed under the heading "Directors' interests in securities", no other person was recorded in the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance as having an interest of 10% or more in the issued share capital of the Company.

關連交易

本集團在年內之關連人士交易及關連交易詳情載於賬目附註34。

董事認為，有關交易乃根據本集團日常及普通業務程序按一般商業條款進行，而有關條款對本公司股東亦公平及合理。

就賬目附註34所載及與雲南昭通卷煙廠（「雲南昭通」）、哈爾濱卷煙廠及僑威互惠進行之交易而言，聯交所已有條件批准本公司豁免嚴格遵守聯交所證券上市規則（「上市規則」）之有關規定，而本公司獨立非執行董事已確認，有關交易乃根據聯交所批准之豁免所載之條件進行。

除上文披露者外，並無任何其他交易須遵照上市規則之有關規定而列作關連交易及進行披露。

主要客戶及供應商

本集團之最大客戶及五大客戶分別佔本集團總營業額約29%及66%。本集團最大供應商及五大供應商分別佔本集團總購貨額約38%及80%。

董事、彼等之聯繫人士或股東（就董事所知擁有本公司股本5%以上者）概無擁有上述各大供應商及客戶之任何股本權益。

CONNECTED TRANSACTIONS

Details of the related party transactions and also connected transactions of the Group during the year are set out in note 34 to the financial statements.

In the opinion of the directors, the transactions were carried out on normal commercial terms, in the ordinary and usual course of business of the Group and on terms that are fair and reasonable so far as the shareholders of the Company are concerned.

In respect of the transactions set out in note 34 to the financial statements and entered into with Yunnan Zhaotong Cigarette Factory ("YZCF"), Harbin Cigarette Factory and Kith Mutual, the Stock Exchange has granted conditional waivers to the Company from strict compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the independent non-executive directors of the Company have confirmed that these transactions were carried out in compliance with the conditions set out in the waivers granted by the Stock Exchange.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer and five largest customers accounted for appropriately 29% and 66% respectively of the Group's total turnover. The Group's largest supplier and five largest suppliers accounted for approximately 38% and 80% respectively of the Group's total purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had an interest in the share capital of any of the largest suppliers or customers.

買賣或贖回本公司之上市證券

本公司或其任何附屬公司於年內概無買賣或贖回本公司之任何上市證券。

優先購股權

本公司之公司細則或百慕達法例並無設立優先購股權之規定，而本公司亦毋須據此按比例向現有股東提呈發售新股份。

企業監管

本公司在年內一直均有遵照香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則，惟對非執行董事之委任則並無指定任期。彼等根據本公司之公司細則第87條之規定，須在本公司之股東週年大會上退任及重選。

上市規則第19項應用指引（「第19項指引」）

根據第19項指引第3.2.1至3.2.3段之披露規定，本公司披露以下有關向一公司作出之墊款之詳情：

雲南昭通為雲南僑通合資企業之主要客戶。於二零零零年十二月三十一日，因向雲南昭通售貨而應收之貿易賬款約為82,280,000港元，佔本集團當日之資產淨值之38.9%。有關款項並無抵押，且屬免息及須按照與雲南昭通議定之信貸期償還。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

During the year, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the non-executive directors are not appointed for specific terms. They are subject to retirement and re-election at the annual general meeting of the Company in accordance with Article 87 of the Company's Bye-Laws.

PRACTICE NOTE 19 OF THE LISTING RULES ("PN 19")

In accordance with the disclosure requirements of Paragraph 3.2.1 to 3.2.3 of PN 19, the Company makes the following disclosures in relation to the details of advance to an entity:

YZCF is one of the principal customers of Yunnan Qiaotong JV. As at 31st December, 2000, the trade receivable resulted from the sales made to YZCF was approximately HK\$82,280,000, which represented 38.9% of the Group's net asset value as at that date. The amount is unsecured, interest-free and repayable in accordance with the credit terms as agreed with YZCF.

董事會報告 REPORT OF THE DIRECTORS

捐款

本集團在年內所作之慈善及其他捐款約達12,000港元。

聯席核數師

羅兵咸永道會計師事務所於二零零零年六月十二日辭任本公司之聯席核數師，而陳浩賢會計師事務所由該日起繼續留任本公司之核數師。

於二零零一年一月二十三日，董事會委聘德勤•關黃陳方會計師行聯同陳浩賢會計師事務所擔任本公司之聯席核數師。本公司在即將舉行之股東週年大會上將會提呈一項決議案認可委聘德勤•關黃陳方會計師行一事。

承董事會命

許經振

主席

香港，二零零一年四月十一日

DONATION

Charitable and other donations made by the Group during the year amounted to approximately HK\$12,000.

JOINT AUDITORS

Messrs. PricewaterhouseCoopers retired as joint auditors of the Company on 12th June, 2000 and Messrs. Graham H.Y. Chan & Co. remained as the Company's auditors from that date.

On 23rd January, 2001, Messrs. Deloitte Touche Tohmatsu were appointed by the Board of Directors as joint auditors of the Company with Messrs. Graham H.Y. Chan & Co. A resolution to ratify the appointment of Messrs. Deloitte Touche Tohmatsu will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Hui King Chun, Andrew

Chairman

Hong Kong, 11th April, 2001