



The directors have pleasure in presenting their report and the audited financial statements of the Company for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its principal subsidiaries (hereinafter the subsidiaries together with the Company are collectively referred to as the "Group") are engaged in the manufacture of laminates, copper foil, glass fabric, bleached kraft paper and specialty chemicals. Most of the copper foil, glass fabric and bleached kraft paper produced are used by the Group in its manufacturing of laminates.

The Group maintains its head office in Hong Kong while its production facilities are located in other areas of the People's Republic of China (the "PRC").

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 27.

An interim dividend of 4 cents per share was paid to the holders of the Company's ordinary shares during the year. The directors recommend the payment of a final dividend of 7 cents per ordinary share, making a total of 11 cents per ordinary share for the year.

PROPOSED BONUS ISSUE OF WARRANTS

At the forthcoming annual general meeting, the directors of the Company will also recommend a bonus issue of warrants to the shareholders of the Company whose names appear on the register of members of the Company on 28 August 2001 (other than shareholders whose registered addresses are outside Hong Kong as shown on the register of members on that date) on the basis of 1 warrant for every 10 existing shares then held. Each holder of a warrant has a right to subscribe HK\$5.80 in cash for a new share of HK\$0.10 each in the share capital of the Company at an initial subscription price of HK\$5.80 per share, subject to adjustment, at any time between the date when the dealings in the warrants on The Stock Exchange of Hong Kong Limited commence (expected to be 3 September 2001) and 31 December 2003 (both days inclusive).

董事會謹此提呈本公司截至二零零一年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃投資控股公司，其主要附屬公司（與本公司統稱「本集團」）從事製造覆銅面板、銅箔、玻璃纖維布、漂白木漿紙及專門化學品。大部分生產之銅箔、玻璃纖維布及漂白木漿紙乃供本集團在製造覆銅面板時使用。

本集團之總辦事處設於香港，而生產設備全部位於中華人民共和國（「中國」）其他地區。

業績及股息

本集團之本年度業績載於第27頁綜合收益表內。

年內本公司已派付中期股息每股4仙予本公司普通股持有人。董事現建議派付末期股息每股普通股7仙，年內每股普通股合共派付11仙。

建議發行紅利認股權證

在即將舉行之股東週年大會上，本公司董事將同時建議向於二零零一年八月二十八日名列本公司股東名冊之股東（於該日載列於名冊上之股東註冊地址在香港以外者除外）按當時每持有十股股份派送一份認股權證之基準派發紅利認股權證。每位認股權證持有人均有權按初步認購價以每股5.80港元在（預期二零零一年九月三日）開始至二零零三年十二月三十一日期間於香港聯合交易所有限公司以5.80港元現金認購本公司股本中每股面值0.10港元之新股。



FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 75.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the financial statements.

SHARE OPTIONS

Details of the Company's share option scheme and movements are set out in note 24 to the financial statements.

RESERVES

Details of the movements during the year in the reserves of the Group and of the Company are set out in note 25 to the financial statements.

In addition to the retained profits of the Company, the share premium and the special surplus accounts of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

At 31 March 2001, the sum of the retained profits, the share premium and the special surplus accounts of the Company amounted to approximately HK\$443 million.

INVESTMENT PROPERTIES

The Group's investment properties were revalued as at 31 March 2001. The deficit arising on revaluation of approximately HK\$0.7 million is charged to the income statement.

OTHER PROPERTIES, PLANT AND EQUIPMENT

Additions to other properties, plant and equipment during the year amounted to HK\$820 million, most of which was incurred to increase the production capacity of the Group. Details of all the changes during the year are set out in note 13 to the financial statements.

財務概要

本集團過去五個財政年度之業績及資產與負債概要載於第75頁。

股本

年內本公司之股本變動詳情載於財務報表附註23。

優先購股權

本公司之優先購股權計劃及變動之詳情載於財務報表附註24。

儲備

年內本集團及本公司之儲備變動詳情載於財務報表附註25。

除本公司之保留溢利外，本公司之股份溢價及特殊盈餘賬亦可向股東分派，惟本公司在上述分派之建議付款日期後當時，本公司須有能力償還在日常業務中須付之欠款。

於二零零一年三月三十一日，本公司之保留溢利、股份溢價及特殊盈餘賬之總額約為443,000,000港元。

投資物業

本集團之投資物業於二零零一年三月三十一日重新估值。重估所錄得之700,000港元虧絀已從收益表扣除。

其他物業、廠房及設備

於年內添置之其他物業、廠房及設備達820,000,000港元，大部份添置乃為增加本集團之生產力而作出。年內各項變動之詳情載於財務報表附註13。



董事會報告 Directors' Report

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2001 are set out in note 37 to the financial statements.

BORROWINGS, GUARANTEES AND INTEREST CAPITALISED

Bank borrowings which are repayable within one year or on demand are classified as current liabilities in the balance sheets. The repayment schedules for these and other borrowings are set out in notes 21 and 22 to the financial statements.

During the year, the Company and some of its wholly-owned subsidiaries continued to provide guarantees to financial institutions to secure general credit facilities for certain non-wholly owned subsidiaries namely, Yat Tao Chemical Holdings (H.K.) Limited, Hong Kong Copper Foil Limited and Fogang Kingboard Industry Ltd. in the amounts of HK\$588 million, HK\$75 million and HK\$121 million respectively.

During the year, interest of approximately HK\$1 million was capitalised by the Group in respect of property, plant and equipment under construction.

DONATIONS

During the year, the Group made charitable and other donations totalling approximately HK\$2,130,000.

DIRECTORS

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

Executive directors:

Mr. Cheung Kwok Wing (*Chairman*)
 Mr. Chan Wing Kwan (*Managing Director*)
 Mr. Lum Gum Wun
 Mr. Lam Ka Po
 Mr. Cheung Kwok Keung
 Mr. Cheung Kwok Wa
 Mr. Cheung Kwong Kwan
 Mr. Cheung Kwok Ping
 Mr. Chang Wing Yiu
 Mr. Mok Cham Hung, Chadwick (appointed on 8 June 2000)

主要附屬公司

本公司主要附屬公司於二零零一年三月三十一日之詳情載於財務報表附註37。

借貸、擔保及資本化利息

須於一年內或按要求時償還之銀行借貸已列為資產負債表中之流動負債。此等借貸及其他借貸之還款時間表載於財務報表附註21及22。

年內，本公司及其若干全資附屬公司就若干非全資附屬公司日滔化工集團(香港)有限公司、Hong Kong Copper Foil Limited及佛岡建滔實業有限公司所分別獲得之588,000,000港元、75,000,000港元及121,000,000港元之一般信貸繼續向金融機構作出擔保。

年內，本集團已就在建中之物業、廠房及設備約1,000,000港元之利息撥作資本。

捐款

年內本集團作出之慈善性質及其他捐款總值2,130,000港元。

董事

年內及直至本報告日期之本公司董事如下：

執行董事：

張國榮先生 (主席)
 陳永銀先生 (董事總經理)
 林根穩先生
 林家寶先生
 張國強先生
 張國華先生
 張廣軍先生
 張國平先生
 鄭永耀先生
 莫湛雄先生 (於二零零零年六月八日獲委任)

**DIRECTORS** (continued)**Non-executive directors:**

Mr. Tsao Kwang Yung, Peter

Mr. Lau Tai Chim (appointed on 31 March 2001)

Mr. Lee Peng Fei, Allen (resigned on 31 March 2001)

In accordance with Article 92 of the Company's Articles of Association, Messrs. Lum Gum Wun, Lam Ka Po and Tsao Kwang Yung, Peter will retire by rotation and, being eligible, will offer themselves for re-election.

In accordance with Article 84 of the Company's Articles of Association, Mr. Lau Tai Chim will retire and, being eligible, will offer himself for re-election.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

Each of Messrs. Cheung Kwok Wing, Chan Wing Kwan and Chang Wing Yiu has entered into a service contract with a subsidiary of the Company on 29 November 1999 for a term of two years commencing on that day.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

董事 (續)**非執行董事：**

曹廣榮先生

劉大潛先生 (於二零零一年三月三十一日獲委任)

李鵬飛先生 (於二零零一年三月三十一日辭任)

林根穩先生、林家寶先生及曹廣榮先生將依據本公司組織章程第九十二條輪值辭任，惟彼等符合資格，願意膺選連任。

劉大潛先生將依據本公司組織章程第八十四條辭任，惟彼符合資格，願意膺選連任。

各非執行董事之任期為至其根據本公司之公司組織章程規定須輪值退任之日期止。

董事之服務合約

張國榮先生、陳永錕先生及鄭永耀先生已於一九九九年十一月二十九日各自與本公司一家附屬公司訂立為期兩年之服務合約，由訂約之日起生效。

除上文所披露外，擬在本屆股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司訂立任何可於一年內毋須賠償 (法定賠償除外) 而終止之服務合約。


DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

According to the register maintained by the Company pursuant to Section 29 of Hong Kong's Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), the interests of the directors, chief executives and their associates in the share capital of the Company and its associated corporations (within the meaning of the SDI Ordinance) as at 31 March 2001 were as follows:

董事及主要行政人員之股份權益

根據本公司按照香港證券(披露權益)條例(「披露權益條例」)第二十九條而存置之登記冊,各董事、主要行政人員及彼等之聯繫人士於二零零一年三月三十一日在本公司及其聯繫公司(披露權益條例所界定)股本中擁有之權益如下:

Name of director	董事名稱	Number of shares held	
		Personal interest	Other interest
		個人權益	其他權益
Mr. Cheung Kwok Wing	張國榮先生	11,737,000	see note 見附註
Mr. Chan Wing Kwan	陳永鋹先生	6,172,000	see note 見附註
Mr. Lum Gum Wun	林根穩先生	2,276,000	see note 見附註
Mr. Lam Ka Po	林家寶先生	1,141,500	see note 見附註
Mr. Cheung Kwok Keung	張國強先生	1,337,000	see note 見附註
Mr. Cheung Kwok Wa	張國華先生	6,876,000	see note 見附註
Mr. Cheung Kwong Kwan	張廣軍先生	1,329,000	see note 見附註
Mr. Cheung Kwok Ping	張國平先生	3,084,000	see note 見附註
Mr. Chang Wing Yiu	鄭永耀先生	753,000	see note 見附註
Mr. Lau Tai Chim	劉大潛先生	150,000	-

Note: As at 31 March 2001, 196,552,000 ordinary shares of the Company were registered in the name of Hallgain Management Limited, a company which is owned as to 22% by Mr. Cheung Kwok Wing, 15% by Mr. Chan Wing Kwan, 5.5% by Mr. Lam Ka Po, 10% by Mr. Lum Gum Wun, 8% by Mr. Cheung Kwong Kwan, 10% by Mr. Cheung Kwok Wa, 9% by Mr. Cheung Kwok Ping, 5.5% by Mr. Cheung Kwok Keung and 5% by Mr. Chang Wing Yiu.

附註: 於二零零一年三月三十一日,本公司196,552,000股普通股乃以Hallgain Management Limited之名義登記,該公司分別由張國榮先生(22%)、陳永鋹先生(15%)、林家寶先生(5.5%)、林根穩先生(10%)、張廣軍先生(8%)、張國華先生(10%)、張國平先生(9%)、張國強先生(5.5%)及鄭永耀先生(5%)擁有。



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES *(continued)*

No director held any interest in the securities of the Company's associated corporations as at 31 March 2001 except for the following:

- (a) 300,000 ordinary shares of US\$0.10 each in Kingboard Copper Foil Holdings Limited held by Mr. Chan Wing Kwan.
- (b) Certain nominee shares in subsidiaries held in trust for the Group; and
- (c) Certain non-voting deferred shares of HK\$1 each in Kingboard Laminates Limited (see note 37 to the financial statements):

董事及主要行政人員之股份權益 (續)

除下述者外，於二零零一年三月三十一日各董事並無持有本公司聯繫公司之證券權益：

- (a) 陳永鋸先生持有Kingboard Copper Foil Holdings Limited 300,000股每股面值0.10美元之普通股；
- (b) 代本集團以信託方式持有之若干附屬公司代理人股份；及
- (c) 建滔積層板有限公司每股面值1港元之若干無投票權遞延股份（見財務報表附註37）：

Name of director	董事姓名	Number of shares held	所持股數
Mr. Cheung Kwok Wing	張國榮先生	1,904,400	
Mr. Chan Wing Kwan	陳永鋸先生	1,481,200	
Mr. Lum Gum Wun	林根穩先生	1,058,000	
Mr. Lam Ka Po	林家寶先生	581,900	
Mr. Cheung Kwok Keung	張國強先生	529,000	
Mr. Cheung Kwok Wa	張國華先生	1,058,000	
Mr. Cheung Kwong Kwan	張廣軍先生	846,400	
Mr. Cheung Kwok Ping	張國平先生	952,200	
Mr. Chang Wing Yiu	鄭永耀先生	423,200	
		<hr/>	
		8,834,300	
		<hr/> <hr/>	

Other than as disclosed above, none of the directors, chief executives or their associates had any interests in the securities of the Company or its associated corporations as at 31 March 2001.

除上述披露者外，各董事、主要行政人員或彼等之聯繫人士於二零零一年三月三十一日概無擁有本公司或其任何聯繫公司之證券權益。

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

There was no contract of significance subsisting, to which the 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, at the end of the year or at any time during the year.

董事之合約權益及關連交易

本公司或其任何附屬公司概無訂立於年結日仍有效或年內任何時間曾有效而本公司董事直接或間接擁有重大權益之重大合約。



SUBSTANTIAL SHAREHOLDERS

Other than Hallgain Management Limited which held approximately 41.6% of the issued ordinary share capital of the Company as at 31 March 2001, the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued ordinary share capital of the Company as at that date.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Under the Company's share option scheme, directors of the Company may be granted share options to subscribe for shares in the Company. On 20 January 2000, options were granted to certain directors of the Company to subscribe for shares in the Company at HK\$2.256 per share. None of these options was exercised during the year. A summary of the options, which remained unexercised and outstanding throughout the year, is as follows:

Name of director	董事姓名	Number of shares for which options have been granted 獲授優先購股權可認購 股份之數目
Mr. Cheung Kwok Wing	張國榮先生	873,760
Mr. Chan Wing Kwan	陳永鋌先生	609,600
Mr. Lum Gum Wun	林根穩先生	406,400
Mr. Lam Ka Po	林家寶先生	223,520
Mr. Cheung Kwok Keung	張國強先生	203,200
Mr. Cheung Kwok Wa	張國華先生	406,400
Mr. Cheung Kwong Kwan	張廣軍先生	325,120
Mr. Cheung Kwok Ping	張國平先生	365,760
Mr. Chang Wing Yiu	鄭永耀先生	203,200
		3,616,960

Other than as disclosed in this report, at no time during the year was the 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 debt securities, including debentures, of the Company or any other body corporate. None of the spouses or children under the age of 18 of the directors or chief executives had any right to subscribe for shares of the Company or had exercised any such rights during the year.

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主要股東

除 Hallgain Management Limited 於二零零一年三月三十一日持有本公司已發行普通股股本約 41.6% 外，就根據披露權益條例第 16(1) 條須予存置之主要股東名冊所示，並無其他人士於當日擁有本公司已發行普通股股本 10% 或以上權益。

董事及主要行政人員購買股份或債務證券之權利

根據本公司之優先購股權計劃，本公司董事獲授予可認購本公司股份之優先購股權。於二零零零年一月二十日，本公司若干董事獲授予優先購股權，可按每股 2.256 港元認購本公司之股份。年內該等優先購股權全未行使。該等優先購股權年內之變動概括如下：

除本報告披露者外，本公司或其任何附屬公司於年內任何時間概無參與訂立任何安排，致使本公司董事或主要行政人員可藉購入本公司或任何其他法人團體之股份或債務證券（包括公司債券）而獲益。概無董事或主要行政人員之配偶或未滿十八歲之子女有權認購本公司股份，於年內亦無行使任何該等權利。



UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

Hallgain Management Limited and/or Mr. Cheung Kwok Wing and certain directors of the Company and their relatives have undertakings to maintain, directly and indirectly, certain percentage shareholdings in the Company as a condition under which certain bank loans are made to the Group. The extent of such loan facilities and the obligations imposed on the controlling shareholders are as follows:

	Amount of bank loan outstanding at 31 March 2001 於二零零一年三月 三十一日尚未償還 銀行貸款之數額 HK\$ 港元	Date by which the loan will be wholly repayable 須全數償還 該等數額之日期	Minimum percentage shareholding to be maintained 持有股權之 最低百分比
Facility 1 貸款融資一	11,000,000	February 2002 二零零二年二月	51%
Facility 2 貸款融資二	267,000,000	February 2003 二零零三年二月	35%
	278,000,000		

控股股東之承諾

Hallgain Management Limited 及／或張國榮先生及本公司若干董事及彼等之親屬將已承諾直接或間接持有本公司若干百分比之實際股權，作為批予本集團之若干銀行貸款之條件。該等貸款融資之程度及控股股東須承擔之責任如下：

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2001, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the total value of the Group's sales and purchases respectively.

主要客戶及供應商

於截至二零零一年三月三十一日年度，本集團五名最大客戶之總銷售額及五名最大供應商之合計購貨額均少於本集團之銷售總額及購貨總額30%。

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

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

買賣及贖回本公司上市證券

本公司或其任何附屬公司於本年度概無買賣或贖回本公司任何上市證券。

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under company laws in the Cayman Islands.

優先權

儘管開曼群島公司法例並無對優先權作出任何限制，惟本公司之公司組織章程並無關於優先權之規定。



COMPLIANCE WITH THE CODE OF BEST PRACTICE AND CORPORATE GOVERNANCE

The Company has complied throughout the year with the “Code of Best Practice” as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company's audit committee formerly comprised Messrs. Tsao Kwang Yung, Peter and Lee Peng Fei, Allen. Mr. Lee Peng Fei, Allen resigned as a non-executive director and as a member of the audit committee on 31 March 2001. Mr. Lau Tai Chim was appointed as a non-executive director and as a member of the audit committee on the same day. In establishing the terms of reference for the audit committee, the directors have had regard to the “Guide for the Formation of an Audit Committee” issued by the Hong Kong Society of Accountants in December 1997.

AUDITORS

Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company in the past three years. A resolution to re-appoint them will be submitted at the annual general meeting of the Company.

On behalf of the Board
Cheung Kwok Wing
 CHAIRMAN

Hong Kong, 28 June 2001

遵守最佳應用守則及企業監管

本公司於整個年度內一直遵守香港聯合交易所有限公司證券上市規則附錄十四所載之「最佳應用守則」。

本公司之審核委員會成員原包括曹廣榮先生及李鵬飛先生。李鵬飛先生已於二零零一年三月三十一日辭去非執行董事及審核委員會成員之職務。劉大潛先生於同日獲委任為非執行董事及審核委員會成員。於制定該委員會之職權範圍時，董事已參照香港會計師公會於一九九七年十二月頒佈之「成立審核委員會指引」。

核數師

德勤•關黃陳方會計師行於過往三年一直出任本公司之核數師。本公司將於其股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行。

承董事會命
張國榮
 主席

香港，二零零一年六月二十八日