

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended March 31, 2001.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. Its subsidiaries are principally engaged in investment holding, property investment and development, securities investment and credit card business.

The Group's turnover and contribution to loss before taxation for the year ended March 31, 2001 and 2000, analysed by principal activity and geographical market, are set out in note 3 to the financial statements.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at March 31, 2001 are set out in notes 15, 16, 44 and 45 to the financial statements, respectively.

RESULTS

The results of the Group for the year ended March 31, 2001 are set out in the consolidated income statement on page 21.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 28 to the financial statements.

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 74.

INVESTMENT PROPERTIES

The investment properties of the Group were revalued as at March 31, 2001, as set out in note 13 to the financial statements. The resulting net deficit arising on revaluation which amounted to HK\$238,000 has been charged directly to the consolidated income statement.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group and the Company during the year are set out in note 14 to the financial statements.

MAJOR PROPERTIES

Details of the major properties held by the Group at March 31, 2001 are set out on pages 75 and 76 of the annual report.

董事會報告書

董事會謹此提呈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

本公司乃一間投資控股公司，並為其附屬公司提供公司管理服務，其附屬公司之主要業務為投資控股、物業投資及發展、證券投資及信用卡業務。

截至二零零零年及二零零一年三月三十一日止年度，本集團按主要業務及營運地區分析之營業額及除稅前虧損分析載於財務報表附註3。

附屬公司及聯營公司

本公司主要之附屬公司及聯營公司於二零零一年三月三十一日之詳情分別載於財務報表附註15、16、44及45。

業績

本集團截至二零零一年三月三十一日止年度之業績載於第21頁之綜合收益賬內。

儲備

本集團及本公司於年內之儲備變動詳情於財務報表附註28。

財務資料概要

本集團於過去五個財政年度之業績及資產與負債概要載於第74頁。

投資物業

於二零零一年三月三十一日，本集團重估其所有投資物業，有關詳情載於財務報表附註13，因而產生之重估虧絀淨額238,000港元已直接從綜合收益賬中扣除。

物業、廠房及設備

本集團與本公司之物業、廠房及設備於年內之變動詳情載於財務報表附註14。

主要物業

本集團於二零零一年三月三十一日所持有之主要物業詳情載於年報第75頁及76頁。

DIRECTORS' REPORT – continued

SHARE CAPITAL, WARRANTS AND SHARE OPTIONS

Movements in the share capital and warrants of the Company are set out in notes 25 and 26 to the financial statements, respectively.

Details of the Company's share option scheme are set out in note 27 to the financial statements.

BORROWINGS

Borrowings which are repayable within one year or on demand, are classified as current liabilities. A repayment analysis of borrowings is set out in note 29 to the financial statements.

No interest was capitalised by the Group during the year.

DIRECTORS

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

Executive directors:

Chan Heng Fai
Chan Yoke Keow
Chan Sook Jin, Mary-ann

Non-executive directors:

Ha Kee Choy
Fong Kwok Jen
Kam Kwong Chan
Chan Tong Wan
Trapp Robert Herman (resigned on May 4, 2001)

Independent non-executive directors:

Lee Ka Leung, Daniel
Wong Dor Luk, Peter

Alternate directors:

Lau Kwok Fai (alternate to Chan Heng Fai)
Wooldridge Mark Dean (alternate to Fong Kwok Jen)
Lau Man Tak (alternate to Trapp Robert Herman)
(resigned on May 4, 2001)

In accordance with Articles 78 and 79 of the Company's Articles of Association, Messrs. Chan Yoke Keow and Ha Kee Choy retire by rotation and, being eligible, offer themselves for re-election. The term of office of each non-executive director and independent non-executive director is the period up to his retirement by rotation and each one of them can be re-appointed in accordance with the above articles.

董事會報告書 – 續

股本、認股權證及購股權

本公司之股本及認股權證變動詳情分別載於財務報表附註25及26。

有關本公司之購股權計劃詳情載於財務報表附註27。

借貸

一年內到期或須於要求償還時立即清還之借貸均列作流動負債。借貸之還款分析載於財務報表附註29。

本集團於年內並無撥作資本之利息。

董事

年內及截至申報日為止，本公司之董事如下：

執行董事：

陳恒輝
陳玉嬌
陳淑貞

非執行董事：

夏其才
鄺國禎
甘光親
陳統運
Trapp Robert Herman (於二零零一年五月四日辭任)

獨立非執行董事：

李家樑
王多祿

替任董事：

劉國輝 (陳恒輝之替任董事)
Wooldridge Mark Dean (鄺國禎之替任董事)
劉文德 (Trapp Robert Herman之替任董事)
(於二零零一年五月四日辭任)

根據本公司之公司組織章程細則第78及79條，陳玉嬌女士及夏其才先生須輪值告退，惟合資格且願膺選連任。各獨立非執行董事及其他非執行董事之任期至根據上述條文輪值告退為止，且亦根據上述條文重獲委任。

DIRECTORS' INTERESTS IN SHARES

At March 31, 2001, the interests of the directors, chief executives and their associates in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance of Hong Kong (the "SDI Ordinance") were as follows:

董事於股份之權益

於二零零一年三月三十一日，按本公司根據香港之證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所載，董事、主要行政人員及彼等之聯繫人士於本公司之股份中擁有之權益如下：

董事姓名 Name of directors	個人權益 Personal interests	所持之證券數目 Number of securities held			其他權益 Other interests
		公司權益 Corporate interests	家族權益 Family interests		
Chan Heng Fai 陳恒輝	60,486,233	62,853,876 (note 1) (附註1)	165,514,734 (note 2) (附註2)		–
Chan Yoke Keow 陳玉嬌	24,857,294	80,923,840 (note 3) (附註3)	123,340,109 (note 4) (附註4)	59,733, 600 (note 5) (附註5)	
Chan Sook Jin, Mary-ann 陳淑貞	25,680	–	3,416,000 (note 6) (附註6)		–
Fong Kwok Jen 鄺國禎	3,828,000	–	–		–
Chan Tong Wan 陳統運	17,612,480	–	–		–
Trapp Robert Herman	–	6,750,000 (note 7) (附註7)	–		–
Wong Dor Luk, Peter 王多祿	280,000	–	–		–

Notes:

附註：

- | | |
|---|--|
| <p>1. These shares are owned by First Pacific International Limited and Heng Fai China & Asia Industries Limited, in which Mr. Chan Heng Fai ("Mr. Chan") has beneficial interests.</p> | <p>1. 該等股份由陳恒輝先生(「陳先生」)實益擁有之First Pacific International Limited及恒輝中亞企業有限公司擁有。</p> |
| <p>2. These shares are owned by Mrs. Chan Yoke Keow ("Mrs. Chan"), the spouse of Mr. Chan.</p> | <p>2. 該等股份由陳先生之配偶陳玉嬌女士(「陳女士」)擁有。</p> |
| <p>3. These shares are owned by BPR Holdings (BC) Inc., BPR Holdings (Far East) Limited and Prime Star Group Co. Ltd., in which Mrs. Chan has beneficial interests.</p> | <p>3. 該等股份由陳女士實益擁有之BPR Holdings (BC) Inc.及BPR Holdings (Far East) Limited及Prime Star Group Co. Ltd.擁有。</p> |
| <p>4. These shares are owned by Mr. Chan, the spouse of Mrs. Chan.</p> | <p>4. 該等股份由陳女士之配偶陳先生擁有。</p> |
| <p>5. These shares are owned by a discretionary trust, Bermuda Trust (South Pacific) Limited. Mrs. Chan is one of the discretionary objects.</p> | <p>5. 該等股份由一項全權信託Bermuda Trust (South Pacific) Limited擁有，而陳女士乃該項信託之受益人之一。</p> |
| <p>6. These shares are owned by Mr. Wooldridge Mark Dean, the spouse of Ms. Chan Sook Jin, Mary-ann.</p> | <p>6. 該等股份由陳淑貞女士之配偶Wooldridge Mark Dean先生擁有。</p> |
| <p>7. These shares are owned by Spurwood Corporation, a company which is controlled by Mr. Trapp Robert Herman.</p> | <p>7. 該等股份由Trapp Robert Herman先生控制的Spurwood Corporation擁有。</p> |

DIRECTORS' REPORT – continued

DIRECTORS' INTERESTS IN SHARES – continued

Other than as disclosed above and the nominee shares in certain subsidiaries held by directors in trust for the Group, at March 31, 2001, none of the directors, chief executives or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' SERVICE CONTRACTS

On November 9, 1998, a service contract (“Service Contract”) was entered into between the Company and Mr. Chan, for a term of five years expiring on January 31, 2002, terminable by Mr. Chan on 180 days' notice. The terms of this Service Contract are deemed to have taken effect on February 1, 1997. On November 25, 2000, a supplementary agreement was entered into between the Company and Mr. Chan for the extension of the Service Contract for a period of three years expiring on January 31, 2005.

Commencing from February 1, 1998 and up to January 31, 2005, the Service Contract provides for the payment of a salary of the greater of (i) an annual salary equal to 5.9% of the net assets value of the Company shown in its consolidated audited accounts at each financial year end of the Company, and (ii) 101% of the basic salary for the period from February 1, 1997 to January 31, 1998. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month.

In the event that the Company should terminate Mr. Chan's employment following the change of control of the Company, as defined in the Service Contract, or for any reasons not specifically excluded in the Service Contract, Mr. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the Service Contract on the date notice of termination is given.

董事會報告書 – 續

董事於股份之權益 – 續

除上文所披露者及董事以信託方式代表本集團持有之若干附屬公司代理人股份外，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（定義見披露權益條例）任何證券權益。

董事之服務合約

於一九九八年十一月九日，本公司與陳先生訂立了一份服務合約（「服務合約」），為期五年，於二零零二年一月三十一日期滿。在陳先生發出180日之通知下，可終止此服務合約。該份服務合約之條款被當作已於一九九七年二月一日起生效。於二零零零年十一月二十五日，本公司與陳先生訂立一項補充協議，將服務合約延長，為期三年，截至二零零五年一月三十一日屆滿。

由一九九八年二月一日起至二零零五年一月三十一日止，服務合約規定須支付薪金之金額為(i)相等於本公司每個財政年度終結時之經審核綜合賬目所示本公司之資產淨值5.9%之年薪；及(ii)於一九九七年二月一日至一九九八年一月三十一日期間基本薪金之101%（以較高者為準）。陳先生亦有權收取每月30,000港元之房屋津貼。

倘本公司因控制權轉變（定義見服務合約），或因合約並無特別訂明豁免之任何原因而終止僱用陳先生，則陳先生有權於接獲解僱通知當日收取一筆清償損失款項，數額相等於本公司於服務合約餘下期間須付予陳先生之薪金總額，作為確定賠償金。

DIRECTORS' REPORT – continued

董事會報告書 – 續

DIRECTORS' SERVICE CONTRACTS – continued

董事之服務合約 – 續

On February 1, 1997, a service contract was entered between the Company and Mrs. Chan, for a term of five years expiring on February 1, 2002, terminable by Mrs. Chan on 180 days' notice. The contract provides for the payment of a basic salary of HK\$88,000 per month, together with an additional amount equal to one month's salary payable in February of each year. The basic salary is to be revised on an annual basis by not less than 10% per year. In addition to the basic salary, Mrs. Chan shall be entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that the Company should terminate Mrs. Chan's employment following a change of control of the Company as defined in the contract, or for any reasons not specifically excluded in the contract, Mrs. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the service contract on the date notice of termination is given.

於一九九七年二月一日，本公司與陳女士訂立了一份服務合約，為期五年，於二零零二年二月一日屆滿，在陳女士發出180日之通知下，可終止此服務合約。服務合約規定每月須支付88,000港元之基本薪金，另於每年二月支付一筆相等於一個月薪金之額外款項。基本薪金每年須重新釐定，惟每年加薪幅度不得少於10%。除基本薪金外，陳女士亦有權收取每月30,000港元之房屋津貼。倘本公司因控制權轉變（定義見合約），或因合約並無特別訂明豁免之任何原因而終止僱用陳女士，則陳女士有權於接獲解僱通知當日收取一筆清償損失款項，數額相等於本公司於服務合約餘下期間須付予陳女士之薪金總額，作為確定賠償金。

On February 1, 1998, a supplementary agreement to the service contract was entered into between the Company and Mrs. Chan in substitution for various terms of the service contract referred to above. The supplementary agreement provides for the payment of a salary of the greater of (i) an annual salary equal to 1% of the net assets value of the Company shown in its consolidated audited accounts at each financial year end of the Company, and (ii) 110% of the basic salary as mentioned in the service contract entered on February 1, 1997.

於一九九八年二月一日，本公司與陳女士就服務合約訂立了一份補充協議，以代替上述服務合約多項條款。該份補充協議規定須支付薪金，金額為(i)相等於本公司每個財政年度終結時之經審核綜合賬目所示本公司之資產淨值1%之年薪；或(ii)於一九九七年二月一日訂立之服務合約所述基本薪金之110%（以較高者為準）。

Other than as disclosed above, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

除上文所披露者外，概無任何董事與本公司訂立任何本公司不可於一年內毋須作出賠償（法定賠償除外）而終止之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

董事於合約之權益及關連交易

Other than certain transactions as disclosed in note 42 to the financial statements, no other contract of significance 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, subsisted at the end of the year or at any time during the year.

除財務報表附註42所披露之若干交易外，於年終或年內任何時間，本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益且仍然生效之重要合約。

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

購入股份或債券之安排

During the year, the outstanding options to subscribe for shares in the capital of the Company granted to certain directors of the Company under the share option scheme of the Company are as follows:

於本年度內，本公司根據其購股權計劃，授予本公司若干董事可以認購本公司股本中股份之尚未行使購股權如下：

董事姓名		授出日期	行使期	行使價	於二零零零年四月一日及二零零一年三月三十一日尚未行使之購股權股份數目 Number of option shares outstanding at 4.1.2000 and 3.31.2001
Name of director		Date granted	Exercisable period	Exercise price HK\$	
Chan Heng Fai	陳恒輝	4.22.1996	4.22.1996 to 至 4.21.2006	0.4025	1,000,000
		5.15.1997	5.15.1997 to 至 5.14.2007	0.4512	6,660,000
		10.26.1997	10.26.1997 to 至 10.25.2007	0.3064	14,400,000
Chan Yoke Keow	陳玉嬌	4.22.1996	4.22.1996 to 至 4.21.2006	0.4025	2,071,739
		5.15.1997	5.15.1997 to 至 5.14.2007	0.4512	6,660,000
		10.26.1997	10.26.1997 to 至 10.25.2007	0.3064	14,400,000
Chan Sook Jin, Mary-ann	陳淑貞	10.26.1997	10.26.1997 to 至 10.25.2007	0.3064	25,000,000
Trapp Robert Herman		5.15.1997	5.15.1997 to 至 5.14.2007	0.4512	980,000
		10.26.1997	10.26.1997 to 至 10.25.2007	0.3064	7,000,000
Lau Man Tak	劉文德	5.15.1997	5.15.1997 to 至 5.14.2007	0.4512	2,000,000
		10.26.1997	10.26.1997 to 至 10.25.2007	0.3064	1,500,000

DIRECTORS' REPORT – continued

董事會報告書 – 續

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES – continued

購入股份或債券之安排 – 續

No share option was granted or exercised during the year.

於本年度內，並無任何購股權被授出或獲行使。

Details of the share option scheme are set out in note 27 to the financial statements.

購股權計劃詳情載於財務報表附註27。

Consideration of HK\$1 was received from each of the option holders, at the time that the options were accepted.

於購股權獲接納時，本公司已向每名購股權持有人收取1港元之代價。

In addition, the following outstanding options to subscribe for shares in the capital of eBiz.hk.com Limited (“eBiz”), a subsidiary of the Company, granted to certain directors of the Company under the share option scheme of eBiz are as follows:

此外，根據本公司之附屬公司聯網商業香港有限公司（「聯網」）之購股權計劃，本公司若干董事獲授可以認購聯網股本中之股本之尚未行使購股權如下：

董事姓名		授出日期	行使期	行使價	於二零零零年 四月一日及 二零零一年 三月三十一日 尚未行使之 購股權股份 數目 Number of share options outstanding at 4.1.2000 and 3.31.2001
Name of director		Date of grant	Exercisable period	Exercise price HK\$	
Chan Heng Fai	陳恒輝	2.10.1998	2.10.1998 to 至 2.9.2008	0.11	3,136,000
Chan Yoke Keow	陳玉嬌	2.10.1998	2.10.1998 to 至 2.9.2008	0.11	3,136,000
Chan Sook Jin, Mary-ann	陳淑貞	2.10.1998	2.10.1998 to 至 2.9.2008	0.11	1,500,000
Lau Man Tak	劉文德	2.10.1998	2.10.1998 to 至 2.9.2008	0.11	1,500,000

DIRECTORS' REPORT – continued

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES – continued

No share option was exercised during the year.

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements 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 and neither the directors nor the chief executives, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights during the year.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors and chief executives of the Company, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance disclosed no other person as having an interest of 10% or more in the issued share capital of the Company as at March 31, 2001.

MAJOR CUSTOMERS AND SUPPLIERS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 43 to the financial statements.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended March 31, 2001 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 except that the non-executive directors are not appointed for specific terms and are subject to retirement by rotation in accordance with the articles of association of the Company.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

CHAN HENG FAI
CHAIRMAN AND MANAGING DIRECTOR

July 26, 2001

董事會報告書 – 續

購入股份或債券之安排 – 續

於本年度內，並無任何上述購股權獲行使。

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲益，且董事、主要行政人員或彼等之配偶或未滿18歲子女概無任何可認購本公司證券之權利，且彼等於年內亦無行使任何該等權利。

主要股東

於二零零一年三月三十一日，除上文所披露有關本公司若干董事及主要行政人員之權益外，按本公司根據披露權益條例第16(1)條所存置之主要股東登記冊所披露，概無其他人士擁有本公司10%或以上已發行股本之權益。

主要客戶及供應商

截至二零零一年三月三十一日止年度，本集團五大客戶及供應商分別佔本集團總營業額及採購總額不足30%。

購回、出售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購回、出售或贖回本公司任何上市證券。

結算日後事項

於結算日後之重大事項詳情載於財務報表附註43。

公司監管

本公司於截至二零零一年三月三十一日止年度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。惟非執行董事並無特定委任年期，但須受根據公司組織章程於股東週年大會上輪席告退及重選所規限。

核數師

一項有關重新委聘德勤•關黃陳方會計師行之決議案將於股東週年大會上提呈。

代表董事會

主席兼董事總經理
陳恒輝

二零零一年七月二十六日