



董事會謹此提呈首份年報以及本公司自二零零零年六月九日(註冊成立日期)起至二零零一年三月三十一日止期間及本集團截至二零零一年三月三十一日止年度之經審核財務報告。

集團重組

本公司於二零零零年六月九日根據百慕達一九八一年公司法(修訂本)在百慕達註冊成立為獲豁免有限公司。根據為籌備本公司股份在香港聯合交易所有限公司(「聯交所」)之主板上市而精簡本集團架構之重組計劃(「集團重組」)，本公司於二零零零年十月十六日成為本集團之控股公司。有關集團重組之其他詳情連同據此所收購附屬公司之資料，載於財務報告附註1、15及26，以及本公司於二零零零年十月三十一日刊發之售股章程內。

於二零零零年十一月十三日，本公司股份在聯交所上市。

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務詳情載於財務報告附註15。年內各附屬公司之主要業務概無變動。

分類資料

本集團之分類資料詳情載於財務報告附註5及6。

業績、股息及發行紅股與紅利認股權證

本集團截至二零零一年三月三十一日止年度之溢利及本公司與本集團於該日之業務狀況載於第28至第88頁之財務報告內。

The directors herein present their first report and the audited financial statements of the Company for the period from 9 June 2000 (date of incorporation) to 31 March 2001 and of the Group for the year ended 31 March 2001.

GROUP REORGANISATION

The Company was incorporated in Bermuda on 9 June 2000 as an exempted company with limited liability under The Companies Act 1981 of Bermuda (as amended). Pursuant to a reorganisation scheme (the "Group Reorganisation") to rationalise the Group structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 16 October 2000. Further details of the Group Reorganisation, together with details of the subsidiaries acquired pursuant thereto, are set out in notes 1, 15 and 26 to the financial statements and in the Company's prospectus dated 31 October 2000.

On 13 November 2000, the shares of the Company were listed on the Stock Exchange.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 15 to the financial statements. The principal activities of the subsidiaries have not changed during the year.

SEGMENTAL INFORMATION

Details of the Group's segmental information are set out in notes 5 and 6 to the financial statements.

RESULTS, DIVIDENDS AND BONUS ISSUE OF SHARES AND WARRANTS

The Group's profit for the year ended 31 March 2001 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 28 to 88.

**業績、股息及發行紅股及紅利認股權證(續)**

誠如本公司於二零零零年十月三十一日刊發之售股章程所述，本公司若干全資附屬公司向其於集團重組前之當時股東派付特別股息9,300,000港元。

董事建議向於二零零一年八月三十一日名列股東名冊之所有股東派付截至二零零一年三月三十一日止年度末期股息每股0.04港元。是項建議已收納於財務報告內。

董事亦建議向於二零零一年八月三十一日名列本公司股東名冊之股東分派發行之新紅股，基準為每持有1股本公司已發行股本中每股面值0.10港元之普通股獲派2股紅股。根據於本報告日期本公司已發行股本計算，550,000,000股每股面值0.10港元之新普通股將作為紅股發行。紅股將在各方面與於配發日期之本公司已發行股份享有同等權益，惟不享有截至二零零一年三月三十一日止年度之建議末期股息。

董事亦建議向於二零零一年八月三十一日名列本公司股東名冊之股東分派紅利認股權證，基準為每持有5股本公司已發行股本中每股面值0.10港元之普通股(包括上述將予發行之550,000,000股紅股)獲派1份認股權證。初步認購價每股0.45港元(經就上述紅股發行作出調整)。根據於本報告日期本公司已發行股本及上述550,000,000股紅股計算，將發行165,000,000份紅利認股權證。

RESULTS, DIVIDENDS AND BONUS ISSUE OF SHARES AND WARRANTS (cont'd)

As stated in the Company's prospectus dated 31 October 2000, a special dividend of HK\$9.3 million was paid by certain wholly-owned subsidiaries of the Company to their then shareholders prior to the Group Reorganisation.

The directors recommend the payment of a final dividend of HK\$0.04 per share in respect of the year ended 31 March 2001 to all shareholders whose names appear on the register of members on 31 August 2001. This recommendation has been incorporated in the financial statements.

The directors also recommend a bonus issue of new shares to be distributed to the shareholders whose names appear on the register of members of the Company on 31 August 2001 on the basis of two bonus shares for every one ordinary share of HK\$0.10 each in the issued share capital of the Company held. Based on the issued share capital of the Company as at the date of this report, 550,000,000 new ordinary shares of HK\$0.10 each will be issued as bonus shares. The bonus shares will rank *pari passu* in all respects with the shares of the Company in issue on the date of allotment but shall not be entitled to the proposed final dividend for the year ended 31 March 2001.

The directors also recommend to grant bonus warrants to the shareholders whose names appear on the register of members of the Company on 31 August 2001 on the basis of one warrant for every five ordinary shares of HK\$0.10 each held in the issued share capital of the Company, including the 550,000,000 bonus shares to be issued as stated above, at an initial subscription price of HK\$0.45 per share (adjusted for the bonus issue as mentioned above). Based on the issued share capital of the Company as at the date of this report and the 550,000,000 bonus shares stated above, 165,000,000 bonus warrants would be issued.



財務資料概要

以下為根據下文附註1及2所載基準編製並已公佈之本集團截至二零零一年三月三十一日止四個年度各年之合併業績及資產與負債概要：

業績

		截至三月三十一日止年度			
		Year ended 31 March			
		2001	2000	1999	1998
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
營業額	Turnover	334,440	265,525	214,091	175,171
稅前溢利	Profit before tax	50,313	39,524	21,427	19,674
稅項	Tax	(8,192)	(6,330)	(3,039)	(2,748)
股東應佔日常 業務純利	Net profit from ordinary activities attributable to shareholders	42,121	33,194	18,388	16,926

資產及負債

		三月三十一日			
		31 March			
		2001	2000	1999	1998
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產總值	Total assets	286,108	152,684	150,517	118,375
負債總額	Total liabilities	160,032	112,422	122,709	97,318
少數股東權益	Minority interests	-	2,782	2,782	2,782
資產淨值	Net assets	126,076	37,480	25,026	18,275

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published combined results and assets and liabilities of the Group for each of the four years ended 31 March 2001 prepared on the basis set out in notes 1 and 2 below:

Results

		截至三月三十一日止年度			
		Year ended 31 March			
		2001	2000	1999	1998
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
營業額	Turnover	334,440	265,525	214,091	175,171
稅前溢利	Profit before tax	50,313	39,524	21,427	19,674
稅項	Tax	(8,192)	(6,330)	(3,039)	(2,748)
股東應佔日常 業務純利	Net profit from ordinary activities attributable to shareholders	42,121	33,194	18,388	16,926

Assets and liabilities

		三月三十一日			
		31 March			
		2001	2000	1999	1998
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產總值	Total assets	286,108	152,684	150,517	118,375
負債總額	Total liabilities	160,032	112,422	122,709	97,318
少數股東權益	Minority interests	-	2,782	2,782	2,782
資產淨值	Net assets	126,076	37,480	25,026	18,275

附註：

(1) 於二零零零年九月，本集團向一名獨立第三者出售之前由本公司附屬公司天方投資有限公司一個部門於上表呈列年度期間經營之酒樓業務。該獨立第三者與各董事、主要行政人員或彼等各自之聯繫人士概無關連（「出售事項」）。

Notes:

(1) In September 2000, the Group disposed of its restaurant business, which was previously operated by a division of Sky Fox Investment Limited, a subsidiary of the Company, during the years presented above, to an independent third party not connected with any of the directors, chief executives or their respective associates (the "Disposal").



財務資料概要(續)

本集團之合併業績概要包括本公司及其附屬公司之業績，假設集團重組已於一九九七年四月一日(即呈列之四個年度開始時)完成，並假設出售事項亦已於一九九七年四月一日(即呈列之四個年度開始時)完成。因此，所呈報之本集團合併業績概要不包括酒樓業務應佔經營業績，假設酒樓業務已於呈報年度開始時出售，並已撥回酒樓業務經營所在酒樓物業涉及之按揭貸款利息開支。

就第28至第88頁之財務報告而言，酒樓業務應佔經營業績已列入本集團截至二零零零年九月一日(出售事項之生效日期)之合併業績內，而有關酒樓物業之按揭貸款利息開支亦列入呈報之兩個年度內。

- (2) 本集團之合併資產及負債概要以假設集團重組於一九九七年四月一日完成之基準呈報。

固定資產及投資物業

本集團固定資產及投資物業之變動詳情分別載於財務報告附註13及14。

附屬公司

本公司各主要附屬公司之詳情載於財務報告附註15。

借貸

本集團之借貸詳情載於財務報告附註23至25。

股本、購股權及認股權證

本公司於二零零零年六月九日(註冊成立日期)至二零零一年三月三十一日期間之股本變動詳情連同有關理由以及本公司購股權計劃及認股權證之詳情，載於財務報告附註26。

SUMMARY FINANCIAL INFORMATION (cont'd)

The summary of the combined results of the Group includes the results of the Company and its subsidiaries as if the Group Reorganisation was completed at 1 April 1997, being the beginning of the four years presented, and on the basis as if the Disposal had also been completed at 1 April 1997, being the beginning of the four years presented. Accordingly, the summary of the combined results of the Group has been presented by excluding the operating results attributable to the restaurant business as if the restaurant business was disposed of at the beginning of the years presented, and by reversing the mortgage loan interest expenses in relation to the restaurant property in which the restaurant business had been carried on.

For the purpose of the financial statements on pages 28 to 88, the operating results attributable to the restaurant business have been included in the consolidated results of the Group up to 1 September 2000, the effective date of the Disposal, and the mortgage loan interest expenses in relation to the restaurant property have also been included for the two years presented.

- (2) The summary of the combined assets and liabilities of the Group has been presented on the basis as if the Group Reorganisation was completed as at 1 April 1997.

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group are set out in notes 13 and 14, respectively, to the financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 15 to the financial statements.

BORROWINGS

Details of the borrowings of the Group are set out in notes 23 to 25 to the financial statements.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in the Company's share capital during the period from 9 June 2000 (date of incorporation) to 31 March 2001 together with the reasons therefor, and details of the Company's share option scheme and warrants are set out in note 26 to the financial statements.



儲備

期內／年內本公司及本集團儲備之變動詳情載於財務報告附註27。

優先購股權

本公司之公司細則或百慕達法例並無優先購股權條文，規定本公司須以按比例基準向現有股東發售新股。

購入、贖回或出售上市證券

除涉及本公司首次公開發售及本公司股份於二零零零年十一月十三日在聯交所上市者外，本公司或其任何附屬公司概無於期內購入、贖回或出售任何本公司之上市證券。

可供分派儲備

於二零零一年三月三十一日，本公司可供作現金分派及／或實物分派之儲備(包括繳入盈餘賬及保留溢利)為81,153,000港元。根據百慕達一九八一年公司法(修訂本)，繳入盈餘僅可在若干情況下分派。此外，本公司股份溢價賬為數14,248,000港元可以已繳足紅股方式分派。

主要客戶及供應商

涉及本集團五大客戶之銷售額佔本集團本年度總營業額約36.9%。尤其涉及本集團最大客戶之銷售額佔本集團本年度總營業額約9.4%。

涉及本集團五大供應商之採購額佔本集團本年度採購總額少於30%。

RESERVES

Details of movements in the reserves of the Company and the Group during the period/year are set out in note 27 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Other than in connection with the Company's initial public offering and the listing of the Company's shares on the Stock Exchange on 13 November 2000, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

DISTRIBUTABLE RESERVES

At 31 March 2001, the Company's reserves available for cash distribution and/or distribution in specie, comprising the contributed surplus account and retained profits, amounted to HK\$81,153,000. In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus may only be distributed in certain circumstances. In addition, the Company's share premium account in the amount of HK\$14,248,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the five largest customers of the Group accounted for approximately 36.9% of the Group's total turnover for the year. In particular, sales to the largest customer of the Group accounted for approximately 9.4% of the Group's total turnover for the year.

Purchases from the five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

**主要客戶及供應商(續)**

據董事知悉，各董事、彼等之聯繫人士或據董事所知擁有本公司已發行股本5%以上權益之股東，概無擁有本集團五大客戶或五大供應商之任何實際權益。

董事

期內在任之本公司董事為：

執行董事：

梁鄂先生 (於二零零零年八月十八日獲委任)
梁城先生 (於二零零零年八月十八日獲委任)
李宗興先生 (於二零零零年八月二十四日獲委任)
李家耀先生 (於二零零零年八月二十四日獲委任)

獨立非執行董事：

王品清先生 (於二零零零年八月二十四日獲委任)
黃光漢先生 (於二零零零年八月二十四日獲委任)

根據本公司之公司細則第86及87條，李宗興先生、李家耀先生、王品清先生及黃光漢先生於即將舉行之本公司股東週年大會上輪值告退，惟合資格並願意膺選連任。

根據本公司公司細則之條文，本公司董事(包括非執行董事惟不包括主席梁鄂先生及董事總經理梁城先生)須於即將舉行之本公司股東週年大會上輪值告退及膺選連任。獨立非執行董事並無指定任期，惟須根據本公司之公司細則輪值告退。

董事酬金

本公司董事酬金之詳情載於財務報告附註7。

五位最高薪人士

本集團五位最高薪人士之詳情載於財務報告附註7。

MAJOR CUSTOMERS AND SUPPLIERS (cont'd)

As far as the directors are aware, neither the directors, their associates, nor those shareholders which to the knowledge of the directors own more than 5% of the Company's issued share capital had any beneficial interest in the Group's five largest customers or five largest suppliers.

DIRECTORS

The directors of the Company during the period were:

Executive directors:

Mr. Leung Ngok (appointed on 18 August 2000)
Mr. Leung Shing (appointed on 18 August 2000)
Mr. Li Chung Hing (appointed on 24 August 2000)
Mr. Lee Ka Yiu, Andy (appointed on 24 August 2000)

Independent non-executive directors:

Mr. Wang Pingqing (appointed on 24 August 2000)
Mr. Wong Kong Hon (appointed on 24 August 2000)

In accordance with clauses 86 and 87 of the Company's bye-laws, Mr. Li Chung Hing, Mr. Lee Ka Yiu, Andy, Mr. Wang Pingqing and Mr. Wong Kong Hon will retire by rotation and, being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting.

The directors of the Company, including the non-executive directors but excluding the chairman, Mr. Leung Ngok, and the managing director, Mr. Leung Shing, are subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the provisions of the Company's bye-laws. The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's bye-laws.

DIRECTORS' REMUNERATION

Details of the remuneration of the directors of the Company are set out in note 7 to the financial statements.

FIVE HIGHEST PAID INDIVIDUALS

Details of the five highest paid individuals of the Group are set out in note 7 to the financial statements.



董事及高層管理人員之履歷

執行董事

梁鄂先生，42歲，本公司主席。彼於一九八三年創立本集團，負責本集團整體策劃及制定公司政策。在創立本集團之前，梁鄂先生在服裝零售公司任職生產經理。梁先生在服裝生產及分銷業務方面擁有逾21年經驗。梁先生乃執行董事梁城先生之胞兄。

梁城先生，39歲，本公司副主席兼董事總經理暨共同創辦人。梁先生負責本集團之整體策劃、銷售、零售及分銷業務以及本集團之業務發展及行政。在創立本集團之前，梁城先生為一間服裝零售公司之店舖經理。梁先生於零售服務業擁有逾21年經驗。梁先生乃執行董事梁鄂先生之胞弟。

李宗興先生，42歲，執行董事，負責本集團產品設計及發展與採購管理。彼持有香港理工大學(前稱香港理工學院)時裝及服裝製造文憑，於時裝設計及採購管理方面擁有逾18年經驗。李先生加盟本集團之前，曾在一間上市紡織品公司擔任首席設計師。李先生於一九九一年加入本集團。

李家耀先生，37歲，執行董事，負責本集團零售及分銷業務以及市場開發工作。李先生於一九九五年加入本集團，在零售服務業擁有逾11年經驗。李先生在加入本集團之前，為香港一間紡織品公司之銷售經理。

獨立非執行董事

王品清先生，71歲，本公司獨立非執行董事。王先生於一九八二年至一九八九年期間任中國對外經濟關係及貿易部副部長。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Executive directors

Mr. Leung Ngok, aged 42, is the chairman of the Company. He founded the Group in 1983 and is responsible for the overall strategic planning and formulation of corporate policies of the Group. Prior to the founding of the Group, Mr. Leung Ngok was the production manager of a clothes retailing company. Mr. Leung has over 21 years of experience in the apparel manufacturing and distribution business. Mr. Leung is the elder brother of Mr. Leung Shing, an executive director.

Mr. Leung Shing, aged 39, is the deputy chairman and managing director of the Company and co-founder of the Group. Mr. Leung is responsible for overall strategic planning, sales, retail and distribution operations as well as business development and administration of the Group. Prior to the founding of the Group, Mr. Leung Shing was the shop manager of a clothes retailing company. Mr. Leung has over 21 years of experience in the retail services industry. Mr. Leung is the younger brother of Mr. Leung Ngok, an executive director.

Mr. Li Chung Hing, aged 42, is an executive director and is responsible for the Group's product design and development and merchandising management of the Group. He holds a diploma in Fashion and Clothing Manufacture from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) and has over 18 years of experience in design and merchandising management. Before joining the Group, Mr. Li had previously held the position of the chief designer in a listed textile company. Mr. Li joined the Group in 1991.

Mr. Lee Ka Yiu, Andy, aged 37, is an executive director and is responsible for the retail and distribution operations and market development of the Group. Mr. Lee joined the Group in 1995 and has over 11 years of experience in retail services industry. Mr. Lee was a sales manager of a textile company in Hong Kong prior to joining the Group.

Independent non-executive directors

Mr. Wang Pinqing, aged 71, is an independent non-executive director of the Company. Mr. Wang was the vice minister of The Ministry of Foreign Economic Relations and Trade of the PRC from 1982 to 1989.

**董事及高層管理人員之履歷(續)****獨立非執行董事(續)**

黃光漢先生，59歲，本公司獨立非執行董事。黃先生現任中國全國人民代表大會代表、中華總商會副主席，並為太平紳士。

高層管理人員

伍志賢先生，35歲，本公司財務總監兼公司秘書，負責本集團之會計及財務監控職能，亦負責規劃及監管本集團管理信息系統之推行工作。伍先生於一九九九年加入本集團，持有香港中文大學工商管理學士學位，主修會計。加入本集團之前，伍先生曾任職一家國際會計師行，擁有逾11年核數、會計及財務經驗。彼現為英國特許會計師公會及香港會計師公會會員。

陳港榮先生，53歲，本集團中國分銷部經理，負責在中國之分銷業務。陳先生在零售業積逾24年經驗。陳先生於一九九七年三月加入本集團。

羅冠廷先生，26歲，本集團在中國之市場開發經理，負責本集團在中國之市場開發工作。羅先生持有香港大學中文學士學位，於一九九八年加入本集團。羅先生在加入本集團之前為一間上市時裝公司之營業主任。

張慧茹女士，29歲，本集團人力資源部經理，負責本集團人事管理及員工培訓工作。張女士持有台灣淡江大學產業經濟學士學位，於一九九六年加入本集團，之前曾在一個企業集團之零售營業部門任職。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (cont'd)**Independent non-executive directors (cont'd)**

Mr. Wong Kong Hon, aged 59, is an independent non-executive director of the Company. Mr. Wong is the deputy of the National People's Congress of China, vice-chairman of the Chinese General Chamber of Commerce and Justice of the Peace.

Senior management

Mr. Ng Chi Yin, aged 35, is the financial controller and the company secretary of the Company. Mr. Ng is responsible for the accounting and financial control functions of the Group. He is also responsible for the planning and supervising the implementation of the management information system of the Group. He joined the Group in 1999. Mr. Ng holds a bachelor degree in Business Administration majoring in Accounting from the Chinese University of Hong Kong. Before joining the Group, Mr. Ng worked in an international accounting firm and has over 11 years of experience in auditing, accounting and financial work. He is a member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Society of Accountants.

Mr. Chan Kong Wing, aged 53, is the manager of the PRC distribution department of the Group and is responsible for the distribution operation in the PRC. Mr. Chan has over 24 years of experience in the retail industry. Mr. Chan joined the Group in March 1997.

Mr. Law Kwun Ting, aged 26, is the market development manager of the Group in the PRC and is responsible for the market development of the Group in the PRC. Mr. Law holds a bachelor's degree in Chinese from the University of Hong Kong and joined the Group in 1998. Mr. Law was a sales supervisor of a listed fashion group prior to joining the Group.

Ms. Cheung Wai Yu, aged 29, is the manager of the human resources department of the Group and is responsible for the Group's personnel management and staff training. Ms. Cheung holds a bachelor's degree in Industry Economics from Tamkang University, Taiwan and joined the Group in 1996. Ms. Cheung worked for the retail operations department of a conglomerate prior to joining the Group.



董事及高層管理人員之履歷(續)

高層管理人員(續)

彭冰玲女士，32歲，客戶服務部經理，負責客戶關係及本集團之營運。彭女士持有廣東廣播及電視學院財務專業科學士學位，於一九九零年加入本集團，之前曾在一家以中國為基地之公司任職財務分析員。

曾秀娟女士，35歲，本集團在香港之零售業務經理，負責本集團在香港之整體日常零售業務。曾女士於一九九零年加入本集團，在零售業擁有逾13年經驗。

董事之服務合約

各董事已與本公司訂立由二零零零年十一月一日起計為期三年之服務合約。除非由任何一方向另一方給予不少於六個月書面通知予以終止，否則有關服務合約將於期滿時自動續期一年。

除上文披露者外，獲建議於即將舉行之股東週年大會上備選連任之董事概無與本公司訂立本公司可於一年內終止而毋須作出任何賠償(法定賠償除外)之服務合約。

董事於合約之權益

除涉及為籌備本公司首次公開發售所進行集團重組及財務報告附註4披露之交易外，董事概無於年內在本公司或其附屬公司所訂立而對本集團業務關係重大之合約中直接或間接擁有重大之實際權益。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES (cont'd)

Senior management (cont'd)

Ms. Pang Bing Ling, aged 32, is the manager of the customer service department and is responsible for customer relations and the Group's operation. Ms. Pang holds a bachelor's degree in Finance Specialised Subject from Guangdong Broadcast & T.V. College. She joined the Group in 1990. Ms. Pang worked for the PRC based company as a financial analyst prior to joining the Group.

Ms. Tsang Sau Kuen, aged 35, is the retail operation manager of the Group in Hong Kong and is responsible for the overall daily retail operations of the Group in Hong Kong. Ms. Tsang joined the Group in 1990 and has over 13 years of experience in the retail industry.

Directors' service contracts

Each of the executive directors has entered into a service contract with the Company for a term of three years commencing from 1 November 2000, which shall automatically continue for successive terms of one year upon expiry, unless terminated by either party giving not less than six months' notice in writing to the other party.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Other than in connection with the Group Reorganisation in preparation for the Company's initial public offering and those transactions disclosed in note 4 to the financial statements, no director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

**董事於股份之權益**

於二零零一年三月三十一日，各董事及彼等之聯繫人士在本公司及其相聯法團之股本中擁有須登記在本公司根據證券(披露權益)條例(「披露權益條例」)第29條之規定而存置之登記冊(「登記冊」)或根據上市公司董事證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益如下：

DIRECTORS' INTERESTS IN SHARES

At 31 March 2001, the interests of the directors and their associates in the share capital of the Company and its associated corporations, as recorded in the register (the "Register") maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

董事姓名 Name of director	權益類別 Type of interest	擁有權益之股份數目 Number of shares interested
梁鄂先生(附註) Mr. Leung Ngok (Note)	公司／家族 Corporate/family	171,187,500
梁城先生(附註) Mr. Leung Shing (Note)	公司／家族 Corporate/family	171,187,500

附註：此等股份由ACE Target Inc.作為The Target Unit Trust之受託人身份持有。The Target Unit Trust之51%已發行單位由一個受益人包括梁鄂先生家族成員之全權信託The Leung Ngok Family Trust之受託人Ansbacher (BVI) Limited擁有，而其餘49%之已發行單位由一個受益人包括梁城先生家族成員之全權信託The Leung Shing Family Trust之受託人Ansbacher (BVI) Limited擁有。ACE Target Inc.之已發行股本分別由梁鄂先生及梁城先生按51%及49%之比例持有。

Note: These shares are held by ACE Target Inc. as trustee of The Target Unit Trust, a unit trust of which 51% of the units in issue are owned by Ansbacher (BVI) Limited, as trustee of The Leung Ngok Family Trust, a discretionary trust of which the objects include Mr. Leung Ngok's family members, and of which 49% of the units in issue are owned by Ansbacher (BVI) Limited, as trustee of The Leung Shing Family Trust, a discretionary trust of which the objects include Mr. Leung Shing's family members. The issued share capital of ACE Target Inc. is held by Mr. Leung Ngok and Mr. Leung Shing in the proportions of 51% and 49%, respectively.

除以上者外，若干董事僅為符合最低公司股權要求而為本公司利益持有若干附屬公司之非實際個人股本權益。

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

除上文披露者外，各董事、主要行政人員或彼等之聯繫人士概無在本公司或其任何相聯法團(定義見披露權益條例)之股本中擁有須登記於登記冊或須根據標準守則知會本公司及聯交所之任何個人、家族、公司或其他權益。

Save as disclosed above, none of the directors, chief executives or their associates had any personal, family, corporate or other interests in the share capital of the Company or any of its associated corporations (as defined in the SDI Ordinance) as recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



董事購入股份之權利

根據本公司於二零零零年十月十七日採納之購股權計劃(「該計劃」)之條款，董事會可全權向合資格僱員(包括本公司或其任何附屬公司之執行董事)授予可認購本公司股份之購股權。該計劃之其他詳情載於財務報告附註26。該計劃在本公司股份於二零零零年十一月十三日在聯交所上市後生效。截至本報告日期，概無根據該計劃向任何董事授予購股權。

除上文所述者及有關為籌備本公司首次公開發售所進行之集團重組外，期內本公司或其任何附屬公司概無訂立任何安排，致使本公司董事或主要行政人員或彼等各自之配偶或未滿十八歲之子女可藉購入本公司或任何其他法團之股份或債券而獲益。

主要股東

於二零零一年三月三十一日，根據本公司依據披露權益條例第16(1)條須設存之權益登記冊所載，以下人士擁有本公司已發行股本10%或以上之權益：

名稱	Name	股份數目 Number of shares	持股百分比 Percentage of holding
ACE Target Inc. (附註)	ACE Target Inc. (Note)	171,187,500	62.25%

附註：此等權益已在「董事於股份之權益」一節作為梁鄂先生及梁城先生之「公司／家族權益」披露。

除上文披露者外，其他人士概無在本公司股本中擁有根據權益披露條例第16(1)條規定須予登記之權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Under the terms of a share option scheme (the "Scheme") adopted by the Company on 17 October 2000, the board of directors may, at its absolute discretion, grant options to eligible employees, including executive directors, of the Company or any of its subsidiaries to subscribe for shares in the Company. Further details of the Scheme are set out in note 26 to the financial statements. The Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 13 November 2000. Up to the date of this report, no option has been granted to any directors under the Scheme.

Apart from the foregoing, and other than in connection with the Group Reorganisation in preparation for the Company's initial public offering, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors or chief executives or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporates.

SUBSTANTIAL SHAREHOLDER

At 31 March 2001, the following party was interested in 10% or more in the issued share capital of the Company according to the Register of Interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Note: This interest has also been disclosed as "Corporate/family interest" of Mr. Leung Ngok and Mr. Leung Shing, in the section headed "Directors' interests in shares" above, where further details of ACE Target Inc. are given.

Save as disclosed above, no other party had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.



遵守最佳應用守則

董事認為，自本公司股份上市日期以來，本公司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最佳應用守則，惟本公司獨立非執行董事並無指定任期，須根據本公司之公司細則於即將舉行之股東週年大會上輪值告退及膺選連任。

結算日後事項

本集團主要結算日後事項之詳情載於財務報告附註31。

發售新股所得款項用途

本集團於二零零零年十一月按每股作價0.80港元發行68,750,000股本公司之新股籌得約41,500,000港元（已扣除有關開支）。本公司股份自二零零零年十一月十三日起順利在聯交所上市。截至今天，所得款項淨額中約36,000,000港元已作如下用途：

- 約9,000,000港元用作擴展本集團之香港零售門市及裝修現有門市；
- 約11,000,000港元用作委聘更多專營商擴展本集團在中國之分銷網絡；
- 約2,000,000港元用作發展本集團之前線銷售點系統及獲取ISO9000資格；
- 約5,000,000港元用作償還本集團之銀行借款；及
- 餘款約9,000,000港元用作本集團之額外營運資金。

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied 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, since the date of the listing of the Company's shares, except that the independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 31 to the financial statements.

APPLICATION OF PROCEEDS OF NEW ISSUE

The Group raised approximately HK\$41.5 million, net of related expenses, from the issue of 68,750,000 new shares of the Company at HK\$0.80 per share in November 2000. The Company's shares were successfully listed on the Stock Exchange with effect from 13 November 2000. As of today, net proceeds to the extent of approximately HK\$36 million have been applied as follows:

- as to approximately HK\$9 million for the expansion of the Group's retail outlets in Hong Kong and to furnish the existing outlets;
- as to approximately HK\$11 million for the expansion of the Group's distribution network in the PRC through engaging more franchisees;
- as to approximately HK\$2 million for the development of the Group's front end point-of-sales system and to obtain the ISO 9000 qualification;
- as to approximately HK\$5 million for the repayment of bank borrowings of the Group; and
- as to approximately HK\$9 million as additional working capital of the Group.



發售新股所得款項用途 (續)

目前存放在銀行之其餘所得款項淨額約5,500,000港元留作本公司於二零零零年十月三十一日刊發之售股章程所載之擬訂用途。

審核委員會

本公司根據上市規則附錄十四於二零零零年十月十七日成立審核委員會(「委員會」)。委員會成員包括兩位獨立非執行董事王品清先生及黃光漢先生。審核委員會之主要職責包括審核及監督本集團之財務報告程序及內部監控。

核數師

安永會計師事務所任滿告退，本公司將於即將舉行之股東週年大會上提呈決議案，重新委聘其出任本公司核數師一職。

承董事會命

主席
梁鄂

香港
二零零一年七月二十四日

APPLICATION OF PROCEEDS OF NEW ISSUE (cont'd)

The balance of the net proceeds of approximately HK\$5.5 million, which is currently deposited with banks, is set aside for the intended uses set out in the Company's prospectus dated 31 October 2000.

AUDIT COMMITTEE

The Company has established an audit committee (the "Committee") in accordance with Appendix 14 of the Listing Rules on 17 October 2000. The Committee comprises two independent non-executive directors, Mr. Wang Pingqing and Mr. Wong Kong Hon. The principal duties of the audit committee include the review and supervision of the Group's financial reporting process and internal controls.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Leung Ngok
Chairman

Hong Kong
24 July 2001