

# Report of the Directors

The Directors herein present their report together with the audited financial statements of the Company and the Group for the financial year ended 31st March, 2001.

## CHANGE OF COMPANY NAME

Pursuant to a special resolution of the Company passed on 11th August, 2000, the name of the Company was changed from Dong-Jun (Holdings) Limited to B-Tech (Holdings) Limited effective from 15th August, 2000.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Detail of the principal activities of the principal subsidiaries are set out in note 14 to the financial statements. During the year, the Group discontinued its supermarkets, department store, restaurants and entertainment facilities operations after the disposal of certain subsidiaries as set out in note 5 to the financial statements.

During the year, the Group diversified its business into the investments of high value-added technology related businesses through the acquisition of non-controlling interests in certain companies.

## SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to loss from operating activities by principal activity and geographical area of operations is as follows:

	Year ended 31st March, 2001		Year ended 31st March, 2000	
	Turnover HK\$'000	Contribution to loss from operating activities HK\$'000	Turnover HK\$'000	Contribution to loss from operating activities HK\$'000
By activity:				
Department store and supermarkets operations	11,178	(13,344)	62,321	(100,629)
Restaurant and entertainment businesses	12,157	(6,761)	36,136	(96,425)
Property investment	15,326	(87,548)	8,451	(72,120)
Property development	—	(11,464)	—	(108,268)
Investment holding	—	(189,814)	—	—
	<u>38,661</u>	<u>(308,931)</u>	<u>106,908</u>	<u>(377,442)</u>
By geographical area:				
People's Republic of China:				
Hong Kong	—	(220,403)	—	—
Elsewhere	38,661	(88,528)	106,908	(377,442)
	<u>38,661</u>	<u>(308,931)</u>	<u>106,908</u>	<u>(377,442)</u>

## RESULTS AND DIVIDEND

The Group's loss for the financial year ended 31st 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 21 to 64.

The Directors do not recommend the payment of any dividend for the financial year.

## SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years ended 31st March, 2001, as extracted from the audited financial statements and reclassified as appropriate, is set out on pages 65 and 66, respectively. The summary is not part of the audited financial statements.

## FIXED ASSETS AND INVESTMENT PROPERTIES

Details of the movements in the fixed assets and investment properties of the Group during the financial year are set out in note 12 to the financial statements.

## PROPERTIES UNDER DEVELOPMENT

Details of the movements in the properties under development of the Group during the financial year are set out in note 13 to the financial statements.

## SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's principal subsidiaries and associates at the balance sheet date are set out in notes 14 and 15 to the financial statements, respectively.

## BORROWINGS

Details of the borrowings of the Company and of the Group at the balance sheet date are set out in note 23 to the financial statements.

## INTEREST CAPITALISED

Interest in the amount of approximately HK\$7,290,000 was capitalised during the financial year in respect of the Group's properties under development.

## SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the share capital and share options of the Company during the financial year, together with the reasons therefor, are set out in note 26 to the financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the bye-laws of the Company or the laws of Bermuda in relation to issue of new shares by the Company.

## PURCHASE, SALE OR 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 financial year.

## RESERVES

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

## DISTRIBUTABLE RESERVES

Details of the amount of reserves distributable to shareholders of the Company at the balance sheet date are set out in note 27 to the financial statements.

# Report of the Directors

## MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31st March, 2001, the Group's five largest customers and purchases from the Group's five largest suppliers accounted for less than 30% of the Group's turnover and purchases, respectively.

## DIRECTORS

The Directors of the Company during the financial year ended 31st March, 2001 were:

Wong Chun Hung, Vincent	
Wong Fong Yee, Elisa	
Chu Wai Man, Raymond	(appointed on 1st April, 2000 and resigned on 1st February, 2001)
Wong Chun Ching, Kaiman	(appointed on 30th January, 2001)
Chan Yim Kwong	(appointed on 2nd February, 2001)
Chow Sin Lok	(appointed on 2nd February, 2001)
Lee Hin Wai	(appointed on 2nd February, 2001)
Lee Siu Ying, June	(appointed on 2nd February, 2001)
Leung Mok Ying	(appointed on 2nd February, 2001)
Li Man Leung	(appointed on 2nd February, 2001)
Wong Kin Keung	(appointed on 2nd February, 2001)
Wong Wai Man	(appointed on 2nd February, 2001)
Lam Muk Wai*	(appointed on 9th February, 2001)
Tsang Kwok Hung, Alan*	(appointed on 9th February, 2001)
Seto Yuen Wai, David	(resigned on 19th May, 2000)
Chan Ka Keung, Christopher	(resigned on 24th July, 2000)
Wong Sik Kong**	(resigned on 24th July, 2000)
Lam Ping Cheung, Andrew *	(resigned on 29th January, 2001)
Chan Wai Dune, Charles*	(resigned on 1st February, 2001)

\* *Independent non-executive Directors*

\*\* *Non-executive Director*

Subsequent to the balance sheet date, on 12th April, 2001, Mr. Lai Hok Lim, Mr. Cai Zhizhou and Mr. Luo Lei were appointed as Directors of the Company and Mr. Wong Chun Ching, Kaiman, Mr. Wong Wai Man, Ms. Leung Mok Ying, Ms. Lee Siu Ying, June and Mr. Chan Yim Kwong resigned as Directors of the Company. On 24th April, 2001, Mr. Tam Pak Yin, Philip was appointed as an Independent non-executive Director of the Company and Ms. Wong Fong Yee, Elisa, Ms. Chow Sin Lok, Ms. Lee Hin Wai, Mr. Wong Kin Keung and Mr. Tsang Kwok Hung, Alan resigned as Directors of the Company.

In accordance with bye-law 99 of the Company's bye-laws, Mr. Li Man Leung, Mr. Lai Hok Lim and Mr. Lam Muk Wai will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and the emoluments of the five highest paid individuals in the Group are set out in note 8 to the financial statements.

## DIRECTORS' SERVICE CONTRACTS

None of the Directors 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 of compensation, other than statutory compensation.