

# Directors' Report



The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2001.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of providing package tours, travel, transportation and other related services.

## RESULTS

The results of the Group for the year ended 31 March 2001 are set out in the consolidated income statement on page 19.

The directors do not recommend the payment of a dividend during the year.

## FINANCIAL SUMMARY

A financial summary of the Group is set out on page 76.

## SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in note 33 to the financial statements.

Details of further issues of new shares of the Company by placements subsequent to the balance sheet date are set out in note 33 to the financial statements.

## RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 35 to the financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group and the Company during the year are set out in note 13 to the financial statements.

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## INVESTMENT PROPERTY

Details of revaluation of the investment property of the Group as at 31 March 2001 are set out in note 14 to the financial statements.

## PARTICULARS OF PROPERTIES OF THE GROUP

Particulars regarding the properties of the Group at 31 March 2001 are set out on pages 77 and 78 of the annual report.

## DIRECTORS

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

### Executive directors:

Mr. Chan Yeuk Wai	<i>Chairman</i>
Mr. Chan Yeuk Pun	<i>Deputy Chairman &amp; Managing Director</i>
Mr. Lee Chun Ting, Alex	
Ms. Luk Yee Lin, Ellen	

### Independent non-executive directors:

Mr. Lam Kwong Siu  
Mr. Lai Hing Chiu, Dominic

In accordance with the provisions of the Company's Bye-laws, Mr. Lam Kwong Siu and Mr. Lai Hing Chiu, Dominic retire by rotation and, being eligible, offer themselves for re-election.

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 determinable by the Group within one year without payment of compensation other than statutory compensation.

The independent non-executive directors have been appointed for a term subject to retirement by rotation as required by the Company's Bye-laws.

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## DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, the Group had transactions with certain companies in which Messrs. Chan Yeuk Wai and Chan Yeuk Pun ("Messrs. Chan") have interests. Details of which are set out in note 48 to the financial statements.

Save as disclosed above, no contracts 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.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2001, the beneficial interests of the directors and their associates in the shares of the Company and its associated corporations as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance") are as follows:

Name of director	Type of interest	Number of shares
Chan Yeuk Wai	Corporate and other	4,478,154,440
Chan Yeuk Pun	Corporate and other	4,478,154,440

Out of the 4,478,154,440 shares, 3,017,170,000 shares are beneficially owned by Hounslow Limited, a company wholly owned by Messrs. Chan in equal shares and 1,460,984,440 shares are held by Hounslow Limited in which 10,207,250 shares are held as trustee for Messrs. Chan and 1,450,777,190 shares are held as trustee for Ananda China Hotel (Holdings) Limited, a company beneficially owned by Messrs. Chan.

Out of the 3,017,170,000 shares beneficially owned by Hounslow Limited, 1,466,330,000 shares are held by Abbotsbury Assets Limited, a wholly owned subsidiary of Hounslow Limited, as trustee for Hounslow Limited.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the directors in trust for the Company and its subsidiaries, no directors held any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

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## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, which was approved by its shareholders on 19 September 1997, which enables the directors to grant options to full-time employees, including executive directors, of the Company and/or its subsidiaries to subscribe for shares in the Company. Upon acceptance of an option, the grantee is required to pay HK\$1 to the Company by way of consideration for the grant. The subscription price of the option shares is not less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of grant of the options.

No options have been granted since the adoption of the share option scheme.

Save as disclosed above, none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year; and at no time during the year was the Company or any of its subsidiaries a party to any arrangement 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.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2001, the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors, the Company has not been notified of any interests representing 10% or more of the Company's issued share capital.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

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## MAJOR CUSTOMERS AND SUPPLIERS

Both aggregate purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the total value of the Group's purchases and turnover respectively.

## CODE OF BEST PRACTICE

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.

## AUDITORS

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

On behalf of the Board

**Chan Yeuk Pun**  
CHAIRMAN

Hong Kong, 30 July, 2001