

The directors have the pleasure of presenting the first annual report together with the audited financial statements of Yew Sang Hong (Holdings) Limited (“the Company”) and the combined financial statements of the Company and other companies comprising the group (collectively referred to as “the Group”) for the year ended 31st March, 2001.

GROUP REORGANISATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 2nd January, 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. Upon incorporation, the Company had an authorised share capital of HK\$350,000 divided into 3,500,000 shares of HK\$0.1 each. Pursuant to a group reorganisation scheme 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 3rd April, 2001. The Company’s shares have been listed on the Stock Exchange since 3rd May, 2001.

Details of the group reorganisation scheme and the basis of preparation of the financial statements are set out in Note 1 to the combined financial statements.

Combined financial statements of the Group have been prepared and presented in this annual report as if the aforementioned group reorganisation has been completed throughout the two years ended 31st March, 2000 and 2001. Please refer to Note 1 to the combined financial statements for the basis of presentation and details of the group reorganisation. The financial information referred to in this report was extracted from the combined financial statements.

董事謹此呈報耀生行(集團)有限公司(「本公司」)截至二零零一年三月三十一日止年度之首份年報及經審核財務報表，與及本公司及本集團屬下其他公司(合稱「本集團」)之合併財務報表。

集團重組及呈報基準

本公司於二零零一年一月二日根據開曼群島公司法(二零零零年修訂本)於開曼群島註冊成立為受豁免有限公司。於註冊成立當時，本公司之法定股本為350,000港元，分為3,500,000股每股面值0.1港元之股份。為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市，本集團曾進行集團重組計劃。根據上述重組，本公司於二零零一年四月三日成為本集團之控股公司。本公司股份於二零零一年五月三日在聯交所上市。

有關集團重組計劃之詳情及財務報表之編撰基準載於合併財務報表附註1。

本集團之合併財務報表乃假設上述集團重組已於截至二零零零年及二零零一年三月三十一日止兩年度完成而編撰及在本年報呈列。有關呈報基準及集團重組詳情請參閱合併財務報表附註1。本年報所述之財務報表乃摘錄自合併財務報表。



PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in electrical engineering contracting and trading of electrical equipment and materials.

An analysis of the Group's combined turnover by principal activities and their respective contributions to profit before taxation for the year ended 31st March, 2001 is as follows:

| | Turnover 營業額 | | Contribution to profit before taxation 除稅前溢利貢獻 | |
|------------------------------------|----------------------------------|----------------------------------|--|----------------------------------|
| | 2001 二零零一年 HK\$'000 千港元 | 2000 二零零零年 HK\$'000 千港元 | 2001 二零零一年 HK\$'000 千港元 | 2000 二零零零年 HK\$'000 千港元 |
| Electrical engineering contracting | | | | |
| | | | | |
| Sales of goods | | | | |
| | | | | |
| | 274,850 | 407,845 | 27,359 | 37,134 |
| | 79,594 | 53,401 | 29,593 | 7,123 |
| | 354,444 | 461,246 | 56,952 | 44,257 |

No analysis of the Group's combined turnover and profit before taxation by geographical location is presented because all of the Group's combined turnover and profit before taxation for the year ended 31st March, 2001 were derived from activities carried on in Hong Kong.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2001, the five largest customers of the Group accounted for approximately 92% of the Group's turnover and the five largest suppliers of the Group accounted for approximately 70% of the Group's purchases. In addition, the largest customer of the Group accounted for approximately 64% of the Group's turnover while the largest supplier of the Group accounted for approximately 19% of the Group's purchases.

None of the directors, their associates or any shareholders (which, to the knowledge of the directors owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers and suppliers.

主要業務

本公司為投資控股公司，其附屬公司之主要業務為電氣工程承造及買賣電氣設備及材料。

本集團截至二零零一年三月三十一日止年度按主要業務及其各自除稅前溢利貢獻劃分之合併營業額分析如下：

由於本集團截至二零零一年三月三十一日止年度之合併營業額及除稅前溢利均來自香港業務，故此並無呈列本集團按地區劃分之合併營業額及除稅前溢利分析。

主要客戶及供應商

截至二零零一年三月三十一日止年度，本集團五大客戶佔本集團營業額約92%，而本集團之五大供應商則佔本集團採購額約70%。此外，本集團之最大客戶佔本集團營業額約64%，而本集團之最大供應商則佔本集團採購額約19%。

本公司各董事、彼等之聯繫人士或就董事會所知擁有本公司股本5%以上之股東概無擁有本集團五大客戶或供應商之實際權益。

RESULTS AND APPROPRIATIONS

The combined results of the Group for the year ended 31st March, 2001 are set out in the combined income statement on page 72 of this annual report.

During the year, three group companies declared and paid dividends totalling approximately \$14,380,000 to its former shareholder prior to the group reorganisation described in Note 1 to the combined financial statements.

The directors do not recommend the payment of a dividend.

SHARE CAPITAL

Details of share capital of the Company are set out in Note 5 to the financial statements.

RESERVES

Details of movements in reserves of the Group are set out in Note 21 to the combined financial statements.

As at 31st March, 2001, the Company did not have any distributable reserves.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company's shares were listed on the Main Board of the Stock Exchange on 3rd May, 2001.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares since that date.

PRE-EMPTIVE RIGHTS

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

EQUIPMENT

Details of movements of equipment are set out in Note 10 to the combined financial statements.

業績及分派

本集團截至二零零一年三月三十一日止年度之合併業績載於本年報第72頁之合併損益賬。

年內，三間集團公司於合併財務報表附註1所述之集團重組前向其前股東宣派及派付股息合共約14,380,000港元。

董事會不建議派發任何股息。

股本

本公司股本之詳情載於財務報表附註5。

儲備

本集團之儲備變動詳情載於合併財務報表附註21。

於二零零一年三月三十一日，本公司並無任何可供分派儲備。

買賣及贖回股份

本公司股份於二零零一年五月三日在聯交所主板上市。

本集團及其附屬公司於該日後概無買賣及贖回本公司任何上市股份。

優先認購權

本公司組織章程細則或開曼群島法例並無有關優先認購權之規定，使本公司須按持股比例向現有股東發售新股。

設備

設備之變動詳情載於合併財務報表附註10。

**DIRECTORS**

The directors of the Company who held office since 2nd January, 2001 (date of incorporation) and up to the date of this report are:

Executive Directors

Mr. Lai Sai Sang
(appointed on 2nd January, 2001)
Ms. Leung Sau Che, Jennifer
(appointed on 2nd January, 2001)
Mr. Chuk Wai Chun, Winston
(appointed on 2nd January, 2001)
Mr. Yung Kin Sing, Thomas
(appointed on 2nd January, 2001)

Non-executive Directors

Mr. Lau Chun Kay
(appointed on 12th February, 2001)
Mr. Wong Chi Kit, Peter
(appointed on 12th February, 2001)

In accordance with the Company's Articles of Association, one-third of the directors except for Mr. Lai Sai Sang are subject to retirement by rotation at annual general meeting of the Company. In accordance with the Company's Articles of Association, Messrs. Chuk Wai Chun, Winston and Yung Kin Sing, Thomas retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Each of the executive and non-executive directors has entered into a service contract with the Company for terms of 3 years and 2 years, respectively, commencing from 3rd April, 2001. These contracts will continue thereafter until terminated by either party with three months' prior notice in writing.

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

董事

自二零零一年一月二日(註冊成立日期)至本年報日期期間本公司在任董事如下:

執行董事

賴細生先生
(於二零零一年一月二日獲委任)
梁秀姿女士
(於二零零一年一月二日獲委任)
祝偉俊先生
(於二零零一年一月二日獲委任)
翁健誠先生
(於二零零一年一月二日獲委任)

非執行董事

劉振麒先生
(於二零零一年二月十二日獲委任)
王志傑先生
(於二零零一年二月十二日獲委任)

根據本公司組織章程細則，除賴細生先生外，三分之一之董事須於本公司股東週年大會上輪流退任。根據本公司組織章程細則，祝偉俊先生及翁健誠先生須於即將舉行之股東週年大會上輪流退任，惟彼等符合資格並願膺選連任。

董事之服務合約

執行及非執行董事分別與本公司訂立自二零零一年四月三日起計為期三年及兩年之服務合約。該等合約將於任何一方發出不少於三個月之書面通知時終止。

除上文所披露者外，各董事並無與本公司訂立任何可於一年內不付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

Except for contracts in connection with the reorganisation in preparation for the Company's initial public offering, no other contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which any of the Company's director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES

As at 31st March, 2001, the Company had no notice of any interests to be recorded under Section 29 of the Securities (Disclosure of Interests) Ordinance ("the SDI Ordinance") as the Company was not listed on the Stock Exchange as at that date.

Subsequent to the balance sheet date, on 3rd May, 2001, the Company was listed on the Stock Exchange. Accordingly, at the date of this report, the interests of the directors in shares of the Company and its subsidiaries within the meaning of the SDI Ordinance as recorded in the register maintained by the Company pursuant to section 29 of SDI Ordinance, are as follows:

(i) The Company

| Name of director 董事姓名 | Note 註 | Nature of interest 權益性質 | Number of ordinary shares held 所持普通股數目 |
|---------------------------|-----------|----------------------------|--|
| Mr. Lai Sai Sang 賴細生先生 | 1 | Corporate 公司 | 150,000,000 |

Note:

- These shares are owned by YSH Investments Limited, a company incorporated in the British Virgin Islands (the "BVI"). YSH Investments Limited is beneficially owned by Mr. Lai Sai Sang (90.4%).

董事之合約權益

除本集團重組以籌備本公司首次公開發售而訂立之合約外，本公司及其附屬公司並無參與訂立任何於年終或年內任何時間仍然有效，且與本公司業務有重大關係，而本公司董事直接或間接擁有其中重大權益之合約。

董事之股份權益

於二零零一年三月三十一日，由於本公司當日尚未在聯交所上市，故此就本公司所知，並無任何須根據證券(披露權益)條例(「披露權益條例」)第29條須予登記之權益。

於結算日後，本公司於二零零一年五月三日在聯交所上市。因此，於本年報日期，按本公司根據證券披露權益條例第29條所設立之登記冊所示，各董事所擁有之本公司及其附屬公司之股份權益(定義見披露權益條例)如下：

(i) 本公司

註：

- 該等股份由在英屬處女群島註冊成立之 YSH Investments Limited 擁有。YSH Investments Limited 由賴細生先生實益擁有 90.4% 權益。


DIRECTORS' INTERESTS IN SHARES (Continued)

(ii) Subsidiary — Yew Sang Hong Limited

Each of Mr. Lai Sai Sang and Ms. Leung Sau Che, Jennifer have beneficial interests in their personal capacity in the following number of non-voting deferred shares in Yew Sang Hong Limited:

Name of director
董事姓名

Mr. Lai Sai Sang
 賴細生先生
 Ms. Leung Sau Che, Jennifer
 梁秀姿女士

董事之股份權益 (續)
(ii) 附屬公司 — 耀生行有限公司

賴細生先生及梁秀姿女士分別實益擁有下列數目之耀生行有限公司無投票權遞延股份個人權益：

Number of non-voting deferred shares
無投票權遞延股份數目

1,252,399 shares of \$10.00 each
 1,252,399股每股面值10.00港元之股份
 1 share of \$10.00 each
 1股面值10.00港元之股份

(iii) Subsidiary — Yew Sang Hong Trading Limited

Each of Mr. Lai Sai Sang and Ms. Leung Sau Che, Jennifer have beneficial interests in their personal capacity in the following number of non-voting deferred shares in Yew Sang Hong Trading Limited:

Name of director
董事姓名

Mr. Lai Sai Sang
 賴細生先生
 Ms. Leung Sau Che, Jennifer
 梁秀姿女士

(iii) 附屬公司 — 耀生行貿易有限公司

賴細生先生及梁秀姿女士分別實益擁有下列數目之耀生行貿易有限公司無投票權遞延股份個人權益：

Number of non-voting deferred shares
無投票權遞延股份數目

1 share of \$1.00 each
 1股面值1.00港元之股份
 1 share of \$1.00 each
 1股面值1.00港元之股份

DIRECTORS' INTERESTS IN SHARES (Continued)**(iv) Subsidiary — Brongham Park Limited**

Each of Mr. Lai Sai Sang and Ms. Leung Sau Che, Jennifer have beneficial interests in their personal capacity in the following number of non-voting deferred shares in Brongham Park Limited:

Name of director
董事姓名

Mr. Lai Sai Sang
賴細生先生

董事之股份權益 (續)**(iv) 附屬公司 — 百達機電有限公司**

賴細生先生及梁秀姿女士分別實益擁有下列數目之百達機電有限公司無投票權遞延股份個人權益：

Number of non-voting deferred shares
無投票權遞延股份數目

100,000 shares of \$1.00 each
100,000股面值1.00港元之股份

Save as disclosed above, the Company had no notice of any interests required to be recorded under Section 29 of the SDI Ordinance.

除上文所披露者外，就本公司所知，並無任何其他須根據披露權益條例第29條須予登記之權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Pursuant to the terms of a share option scheme (the "Scheme") adopted by the Company on 3rd April, 2001, the directors may, at their discretion, invite full-time employees of any member of the Group, including any executive directors, to take up options to subscribe for shares of the Company. The Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 3rd May, 2001. Details of the Scheme are set out in Note 26 to the combined financial statements.

Up to the date of this report, no options have been granted to any directors or employees under the Scheme.

Save as disclosed above and other than in connection with the group reorganisation in preparation of the Company's initial public offering, at no time during the period was the Company or any of the companies comprising the Group a party to any arrangement to enable the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

董事收購股份之權利

根據本公司於二零零一年四月三日採納之購股權計劃(「計劃」)之條款，董事會可酌情邀請本集團任何成員公司之全職僱員(包括執行董事)接納可認購本公司股份之購股權。該計劃於二零零一年五月三日本公司股份在聯交所上市時生效。該計劃之詳情載於合併財務報表附註26。

截至本年報日期，概無任何董事或僱員根據該計劃獲授任何購股權。

除上文所披露者及就本集團重組以籌備本公司首次公開發售而訂立之安排外，於期內任何時間，本公司或本集團屬下各公司均無訂立任何安排，以致本公司董事或管理人員可藉收購本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益。


SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2001, the Company had no notice of any interests to be recorded under Section 16(1) of the SDI Ordinance as the Company was not listed on the Stock Exchange as at that date.

As at the date of this report, according to the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more of the issued share capital of the Company:

| Name 名稱 | Number of issued shares 已發行股份數目 | Percentage holding 持股百分比 |
|-------------------------|---------------------------------------|--------------------------------|
| YSH Investments Limited | 150,000,000 | 75%* |

* The shareholding is duplicated in the directors' interests in shares disclosed above.

Same as disclosed above, the Company had no notice of any interests to be recorded under Section 16(1) of the SDI Ordinance.

主要股東

於二零零一年三月三十一日，由於本公司當日尚未在聯交所上市，故此就本公司所知，並無任何須根據披露權益條例第16(1)條須予登記之權益。

於本年報日期，按本公司根據披露權益條例第16(1)條所設立之主要股東名冊所示，就本公司所知，下列主要股東擁有本公司已發行股本10%或以上權益：

| Name 名稱 | Number of issued shares 已發行股份數目 | Percentage holding 持股百分比 |
|-------------------------|---------------------------------------|--------------------------------|
| YSH Investments Limited | 150,000,000 | 75%* |

* 該等股份與上文所披露之董事股份權益相同。

除上文所披露者外，就本公司所知，並無任何根據披露權益條例第16(1)條須予登記之權益。

CONNECTED TRANSACTIONS

The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) has granted a conditional waiver to the Company from strict compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”) on the following recurring connected transactions for each of the three financial years ending 31st March, 2004. Pursuant to the waiver, the Company is not required to disclose details of such connected transactions by press notice and/or circular and/or to obtain prior independent shareholders’ approval. Details of such connected transactions are as follows:

During the year ended 31st March, 2001, the Group sold goods amounting to approximately HK\$42,968,000 to Hing Yip Electrical Engineering and Supplier Limited (“HYEESL”).

HYEESL is 99.9% owned by Mr. Lai Yun Sang, brother of Mr. Lai Sai Sang, director and shareholder of the Company.

The independent non-executive directors have reviewed the Group’s sales to HYEESL (“the transactions”) and confirmed that:

- (i) the transactions have been conducted on normal commercial terms and in the ordinary and usual course of the business of the Group; and are fair and reasonable so far as the shareholders of the Company are concerned;
- (ii) the transactions have been carried out on terms no less favourable than terms available from independent third parties;
- (iii) during the year ended 31st March, 2001, sales to HYEESL amounted to approximately HK\$42,968,000, which has not exceeded the annual sales to HYEESL in respect of the year concerned as permitted under the said waiver from the Stock Exchange;
- (iv) the transactions have been conducted in accordance with the terms and conditions of the relevant supply agreement governing them; and
- (v) the disclosure provided herein in respect of the details of the above transactions is in compliance with Rule 14.25(1)(A) to (D) of the Listing Rules.

關連交易

香港聯合交易所有限公司(「聯交所」)已就下列各項經常性關連交易，批准本公司至二零零四年三月三十一日止的三個財政年度內，條件性豁免嚴格遵守聯交所證券上市規則(「上市規則」)的規定。根據該項豁免，本公司毋須以刊發通告及／或通函方式披露該等關連交易詳情，及／或事先獲取獨立股東批准。該等關連交易詳情如下：

截至二零零一年三月三十一日止年度，本集團向興業電機工程材料有限公司(「興業電機」)出售貨物約42,968,000港元。

興業電機由本公司董事兼股東賴細生先生之胞兄賴潤生先生擁有99.9%權益。

獨立非執行董事已審閱本集團向興業電機之銷售(「該交易」)，並確認：

- (i) 該交易已由訂約各方以正常商業條款，及於本集團日常業務範圍內進行，對本公司股東而言乃屬公平合理；
- (ii) 該交易乃按不遜於獨立第三方可提供之條款進行；
- (iii) 於截至二零零一年三月三十一日止年度內向興業電機出售貨品約42,968,000港元，並未超過根據聯交所授予之有關豁免所批准於有關年度可向興業電機銷售之總額；
- (iv) 該交易已按公平合理且符合本公司股東利益之條款，受有關協議所監管而進行。
- (v) 本文就該交易細節所提供之披露，乃根據上市規則第14.25(1)(A)至(D)條而作出。

**CONNECTED TRANSACTIONS** *(Continued)*

Save as disclosed in Note 3 to the accompanying combined financial statements, no other contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries, associate or holding company was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice ("the Code") as set out in Appendix 14 of the Listing Rules since the listing of the Company on the Stock Exchange on 3rd May, 2001.

AUDIT COMMITTEE

The Company has set up an Audit Committee (the "Committee") on 3rd April, 2001, comprising two independent non-executive directors of the Company, namely, Mr. Lau Chun Kay and Wong Chi Kit, Peter, with terms of reference prepared based on "A Guide for the formation of an Audit Committee" published by the Hong Kong Society of Accountants. The principal duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control system. The first meeting of the Committee was held on 26th July, 2001.

AUDITORS

The financial statements have been audited by Arthur Andersen & Co. A resolution for their re-appointment as auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lai Sai Sang
Chairman

Hong Kong,
27th July, 2001.

關連交易 (續)

除合併財務報表附註3所披露外，本公司之董事概無於本年度年終或年內任何時間，在本公司或其任何附屬公司、聯營公司或控股公司所訂立任何與本公司之業務有關之重大合約中持有重大權益。

最佳應用守則

董事會認為，本公司自二零零一年五月三日在聯交所上市以來一直遵守上市規則附錄14所載之最佳應用守則（「守則」）。

審核委員會

本公司於二零零一年四月三日委任兩位獨立非執行董事劉振麟先生及王志傑先生組成審核委員會（「委員會」），並根據香港會計師公會頒佈之「成立審核委員會指引」制訂其職權範圍。委員會之主要職務包括檢討及監察本集團之財務申報程序及內部監控。委員會已於二零零一年七月二十六日舉行首次會議。

核數師

有關財務報表由安達信公司審核。有關續聘安達信公司為本公司來年核數師之決議案將於應屆股東週年大會上提呈。

承董事會命
賴細生
主席

香港，二零零一年七月二十七日