

A hand with a white sleeve is pointing towards a glowing globe. The globe is surrounded by a grid of white lines and binary code (0s and 1s) scattered across the dark background. The overall image has a digital and global theme.

# Directors' Report

The Directors present their report and the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 30 April 2001.

#### **CHANGE OF COMPANY NAME**

The name of the Company was changed from Freight Links Express Holdings (Hong Kong) Limited (輝聯配運集團(香港)有限公司) to vLink Global Limited (科建拓展有限公司) pursuant to a special resolution passed at a special general meeting of the Company held on 9 May 2000 and took effect upon the approval of the Registrar of Companies of Bermuda granted on 16 May 2000.

#### **PRINCIPAL ACTIVITIES AND SEGMENTAL INFORMATION**

The principal activity of the Company is investment holding. For the year ended 30 April 2000, the Company's subsidiaries were principally engaged in property holding, logistics and freight forwarding and related businesses.

During the year, the Group discontinued its operations in logistics and freight forwarding businesses and diversified into Internet-enabling and related technology businesses.

An analysis of the Group's consolidated turnover and contribution to operating results by principal activity and geographical location for the year is set out in note 3 to the financial statements.

#### **RESULTS AND APPROPRIATIONS**

The results of the Group for the year ended 30 April 2001 and the state of affairs of the Group and the Company are set out in the financial statements on pages 26 to 62.

No interim dividend was paid or declared during the year. The Directors do not recommend the payment of a final dividend for the year ended 30 April 2001 (2000 : Nil).

**SUMMARY OF FINANCIAL INFORMATION**

A summary of the results and of the assets and liabilities of the Group for the past five financial years/periods is set out on page 63.

**SHARE CAPITAL AND SHARE OPTIONS**

Details of movements in the share capital of the Company during the year are set out in note 23 to the financial statements.

Particulars of the Company's share option scheme and details of movements in the share options of the Company during the year are set out in note 24 to the financial statements.

**RESERVES**

Details of movements in the reserves of the Group and of the Company during the year are set out in note 25 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.

**PROPERTY, PLANT AND EQUIPMENT**

A provision of HK\$8.9 million for impairment in value of land and buildings was reversed during the year.

Details of the above and other movements in the property, plant and equipment during the year are set out in note 11 to the financial statements.

#### **SUBSIDIARIES**

Particulars of the Company's principal subsidiaries as at 30 April 2001 are set out in note 12 to the financial statements.

#### **CONNECTED TRANSACTIONS**

Except for those disclosed in notes 31(e) and (f), all other transactions as disclosed in note 31 to the financial statements constituted connected transactions as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

#### **BORROWINGS AND INTEREST CAPITALISED**

Details of the mortgage loans of the Group are set out in note 21 to the financial statements.

There was no interest capitalised by the Group during the year.

#### **MAJOR CUSTOMERS AND SUPPLIERS**

During the year, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total sales and purchases respectively.

#### **POST BALANCE SHEET EVENTS**

Details of the significant post balance sheet events of the Group transacted during the period from 1 May 2001 up to the date of this report are set out in note 32 to the financial statements.

## DIRECTORS

The Directors of the Company during the year were as follows:

### Executive Directors:

Lai Hok Lim, Alex	(appointed on 29 March 2001)
Wong Yau Kuen, Alex	(appointed on 19 January 2001)
Yeung Ming Kwong, Tony	(appointed on 12 January 2001)
Seunghoon Lee	(appointed on 12 May 2000)
Leung King Yue, Alex	(appointed on 10 March 2001)
Luo Lei	(appointed on 11 April 2001)
Ho Hon Chung, Ivan	(appointed on 12 January 2001)
<i>(alternate director to Yeung Ming Kwong, Tony)</i>	
Walter J. Sousa	(appointed on 12 May 2000 and resigned on 17 February 2001)
Wong Kui Fai, Jimmy	(appointed on 12 May 2000 and resigned on 19 January 2001)
Tsang Man Keung, Michael	(appointed on 12 May 2000 and resigned on 19 January 2001)
Fung Wing Cheung, Tony	(appointed on 12 May 2000 and resigned on 12 January 2001)
Lim Teck Hiang, David	(resigned on 24 October 2000)
Chua Tiong Hock, Henry	(resigned on 12 May 2000)
Wee Chye Huat, Vincent	(resigned on 12 May 2000)
Timothy O'Brien	(appointed on 20 January 2001 and resigned on 15 February 2001)
<i>(alternate director to Seunghoon Lee)</i>	
Kang Gil Nam	(appointed on 12 May 2000 and resigned on 14 September 2000)
<i>(alternate director to Seunghoon Lee)</i>	
Ashok Kothari	(appointed on 15 January 2001 and resigned on 17 February 2001)
<i>(alternate director to Walter J. Sousa)</i>	
Fung Yiu Fai, Peter	(appointed on 12 May 2000 and resigned on 12 January 2001)
<i>(alternate director to Fung Wing Cheung, Tony)</i>	
Chua Tiong Hock, Henry	(appointed on 12 May 2000 and resigned on 24 October 2000)
<i>(alternate director to Lim Teck Hiang, David)</i>	

**DIRECTORS** *(Continued)***Non-Executive Directors:**

Kwok Ho On, Anthony	(appointed on 12 January 2001)
Christopher Ng	(appointed on 12 January 2001)
Kwan Ka Po	(appointed on 29 March 2001)
Lai Hok Lim, Alex	(appointed on 12 January 2001 and resigned on 29 March 2001)
Chen Gang, Gordon	(appointed on 5 January 2001 and resigned on 12 January 2001)
Leung Kim Hung, Andy	(appointed on 5 January 2001 and resigned on 12 January 2001)
William James Lalonde	(appointed on 12 May 2000 and resigned on 12 January 2001)
Wong Fai, Philip	(appointed on 12 May 2000 and resigned on 19 January 2001)
Fan Sheung Tak, Stephen	(resigned on 12 May 2000)
Mui Ho Chow, Eddie	(resigned on 12 May 2000)
Lee Aik Tiang, Raymond	(resigned on 12 May 2000)

In accordance with Bye-law 86(2) of the Company's Bye-laws, Messrs. Lai Hok Lim, Alex; Wong Yau Kuen, Alex; Yeung Ming Kwong, Tony; Seunghoon Lee; Leung King Yue, Alex; Luo Lei; Kwok Ho On, Anthony; Christopher Ng and Kwan Ka Po shall retire at the forthcoming Annual General Meeting and are eligible to offer themselves for re-election.

The independent non-executive Directors, Kwok Ho On, Anthony and Christopher Ng were appointed for a fixed term from 12 January 2001 to 30 September 2002 subject to (i) resignation; (ii) their retirement by rotation in accordance with the Company's Bye-laws; and (iii) termination of appointment by a resolution of the shareholders in general meeting.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### *Executive Directors*

*Mr. LAI Hok Lim, Alex*, aged 42, is the Chairman of the Company. Mr. LAI is also an executive director of B-Tech (Holdings) Limited and a practising solicitor in Hong Kong with more than 10 years' experience in legal practice. Mr. LAI holds a Bachelor of Arts Degree from University of Hong Kong, a Bachelor of Arts Degree (Law) from the University of Sussex, England and a Bachelor Degree in Law from Beijing University, the PRC. Mr. LAI was elected Urban Councillor in 1995 and was appointed as Provisional Urban Councillor for the period from 1997 to 1999.

*Mr. WONG Yau Kuen, Alex*, aged 41, is the Chief Executive Officer of the Company. Mr. WONG is also the Managing Director of 800 TeleServices Limited, a leading Customer Relationship Management solution provider offering premium tailor-made services to businesses in Hong Kong, Taiwan and Shanghai as well as a columnist for some well-known media in Hong Kong.

With over 14 years of experience in the telecommunication industry, Mr. WONG has been overseeing the strategic business development and marketing for the Hutchison Telecommunication, with proven record in achieving the paging license in Singapore and the telecom franchise in the Philippines. Prior to this, he had gained extensive exposure in the telecommunication industry in PRC with the development in two of the TDMA cellular networks, numerous paging networks and trunked radio networks.

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(Continued)***DIRECTORS** *(Continued)***Executive Directors** *(Continued)*

Throughout his career in the forefront of the highly competitive business world, Mr. WONG has numerous successful stories in translating innovative ideas into actions, demonstrating creativity and an analytical mind when he held different key positions in multi-national companies including Jardine & Nestle Hong Kong Ltd. Mr. WONG is also an independent non-executive director of Pearl Oriental Cyber Force Limited.

*Mr. YEUNG Ming Kwong, Tony*, aged 53, is an executive Director of the Company. Mr. YEUNG is the Chairman of I-World Tel.com, a prominent Hong Kong based telecom services provision company with extensive network distribution capabilities across major cities in PRC, including Beijing, Shanghai and Guangzhou with ongoing expansion plans to other East Asian countries. He is also the Vice-Chairman of Smartrend International Limited, a private investment company with a portfolio value over HK\$100 million focusing on private equity investments in the I.T. industry, multi-media and dot.com green field projects.

*Mr. LEE Seunghoon*, aged 49, is an executive Director of the Company. Mr. LEE is the Chairman of Lee International Patent and Law Office, one of the oldest and largest intellectual property law firms in Korea. Having a background in engineering, he was awarded a Master Degree in International Affairs from Columbia University, United States and a Juris Doctor degree from Georgetown Law Centre in Washington, DC, United States. He has also been an associate with the law firm Fleit, Jacobson, Cohn and Price as well as Wegner and Bretschneider in Washington, DC, United States.

*Mr. LEUNG King Yue, Alex*, aged 24, is an executive Director of the Company. Mr. LEUNG is a corporate finance executive of Yu Ming Investment Management Limited as well and is mainly engaged in initial public offerings and financial advisory service in the corporate finance business. Moreover, he is also involved in advisory services for direct investment projects of Yu Ming Investments Limited. Prior to joining Yu Ming Investment Management Limited, he worked in one of the Big Five CPA firms in Hong Kong specialising in the securities and investment funds industries. Mr. LEUNG possesses an Honours degree from the University of Melbourne majoring in finance.



**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(Continued)***DIRECTORS** *(Continued)****Executive Directors*** *(Continued)*

*Mr. LUO Lei*, aged 38, is an executive Director of the Company. Mr. LUO is also an executive director of B-Tech (Holdings) Limited. He was graduated from the Renmin University of the PRC with a Bachelor degree in Economics. He had served the State Planning Committee of the PRC. Since 1986, he has worked in a number of medium to large business organisations in the PRC and in Hong Kong. He is currently responsible for trading, project management and corporate administrative work of the Group. He is particularly well versed in project planning and marketing.

***Independent Non-Executive Directors***

*Mr. KWOK Ho On, Anthony*, aged 46, is an independent non-executive Director of the Company. Educated in Hawaii, Mr. KWOK has over 20 years of experience in business development, mergers and acquisitions and strategic partnership development. During his 7-year tenure at Miramar Developments Group (U.S.A.), he was in charge of Miramar's corporate development activities and was the key player in a number of major merger and acquisition projects undertaken by the group. Currently, he is the Managing Director of Hung Sing Technology Limited, a Taiwan based technology company which is specialised in the provision of I.T. infrastructure products and services to major telecommunications companies in Taiwan, the PRC and Hong Kong.

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(Continued)***DIRECTORS** *(Continued)****Independent Non-Executive Directors*** *(Continued)*

*Mr. Christopher NG*, aged 32, is an independent non-executive Director of the Company. He holds a degree in Electronics and Telecommunications Engineering and has 14 years of experience in various leading technology companies across the Asia region. He is the founder and chief executive officer of ZipLabs P/L, a company specialising in the research and development of multi-media compression technologies, that has successfully launched a number of software and hardware products including a portable MP3 player and authoring package (Zappee), as well as a portable back-up storage device utilizing advanced compression technologies (Zquid-Drive) developed in-house by the company.

Prior to founding ZipLabs, he was General Manager - Research and Development at Venture Manufacturing, a Singapore listed technology company with a market capitalisation of over S\$5 billion. He has held a number of key technology positions with prominent technology companies including Wearnes Technology Limited (Singapore listed company), where he was the Chief Design Architect for multimedia projects for a number of companies, including Gateway 2000, Microsoft, and IBM.

Mr. NG was also one of the first designers of the SoundBlaster compatible cards and chipsets for Natsteel Electronics, which is the fifth largest electronics contract manufacturers in the world. Amongst his other professional achievements, he has won numerous international awards for product and design excellence. In 1997, he was nominated by Barron's Who's Who magazine in the U.S. as one of the TOP 100 most influential I.T. people in Asia.

*Mr. KWAN Ka Po*, aged 49, is an independent non-executive Director of the Company. Mr. KWAN holds a Bachelor's Degree in Social Science (Hons.), a Master's Degree of Laws in Chinese and Comparative Law and a Master's Degree of Laws. He is currently a Fellow of the Chartered Institute of Arbitrators of England (FCI Arb) and a Fellow of the Hong Kong Institute of Arbitrators (FHKI Arb). Mr. KWAN, a Notary Public, is a consultant of Messrs. Liu, Chan & Lam. He is also an Advocate and Solicitor of Singapore as well as a Solicitor of England & Wales and of Ireland.

**BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(Continued)***Senior Management**

Mr. CHAN Kwan Pak, Kasper, aged 45, is the Corporate Secretary of the Company. Mr. Chan holds a bachelor's degree in laws (Hons.) and membership of a number of professional associations. He is an associate member of the Association of Chartered Certified Accountants, the Hong Kong Society of Accountants, the Institute of Chartered Secretaries and Administrators and the Institute of Company Secretaries as well as a member of the Hong Kong Securities Institute. Mr. Chan is also a Vice President cum Hon. Treasurer of the Internet Professionals Association.

Before he joined the Company, Mr. Chan had extensive experience in the finance sector and had been the financial controller and company secretary of a Hong Kong listed company. Presently, he is also the Chief Financial Officer of Cyberbrokers Limited and a principal of an accountancy firm in Hong Kong.

**DIRECTORS' INTERESTS IN SHARE CAPITAL AND DEBENTURES**

As at 30 April 2001, the interests of the Directors and chief executive of the Company or their respective associates in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

**The Company**

<b>Name of Director</b>	<b>Number of shares of HK\$0.10 each held</b>	<b>Nature of interest</b>
Yeung Ming Kwong, Tony	400,000	Personal interest
Luo Lei ( <i>Note 1</i> )	780,000,000	Corporate interest

*Note 1 :* Mr. Luo Lei was deemed to be interested in 780,000,000 shares in the Company by virtue of his corporate interest in Elegant Wealth Limited which, in turn, held corporate interest in Sheen Target Technology Limited which held such shares.

**DIRECTORS' INTERESTS IN SHARE CAPITAL AND DEBENTURES** *(Continued)*

Save as disclosed above, as at 30 April 2001, none of the Directors or the Chief Executive of the Company or their respective associates had any interests in the equity or debt securities of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were deemed or taken to have under Section 31 of or Part I of the Schedule to the SDI Ordinance) or the Model Code or which were required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein.

**ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

No options were granted to or exercised by the Directors during the year. At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or their respective spouses or children under the age of 18 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 30 April 2001, the register of substantial shareholders maintained by the Company, pursuant to Section 16(1) of the SDI Ordinance, showed that the following persons, other than the Directors or the chief executive of the Company, whose interests are disclosed above, had an interest of 10% or more of the nominal value of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company.

**SUBSTANTIAL SHAREHOLDERS** (Continued)

Name of persons	Number of shares of HK\$0.10 each held in the Company		Percentage of issued share capital held
	Direct interest	Deemed interest	
	Sheen Target Technology Limited	780,000,000	
Elegant Wealth Limited (Note 2)	—	780,000,000	13.8%
Longjoy Development Limited	1,000,000,000	—	17.6%
Yu Ming Investments Limited ("Yu Ming") (Note 3)	—	1,550,000,000	27.3%

Note 2: Elegant Wealth Limited was deemed to be interested in 780,000,000 shares by virtue of its corporate interest in Sheen Target Technology Limited which held such shares.

Note 3: Yu Ming was deemed to be interested in an aggregate of 1,550,000,000 shares by virtue of its corporate interest held respectively in Mark Light Limited which held 550,000,000 shares and in Longjoy Development Limited.

Save as disclosed above, the Directors are not aware of any other person being interested in 10% or more in the issued share capital of the Company as at 30 April 2001.

**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Save as disclosed in notes 31(a) to (d) to the financial statements, 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' SERVICE CONTRACTS**

None of the Directors proposed for re-election at the forthcoming Annual General Meeting have a service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation other than that of a statutory nature.

#### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the financial year.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities during the financial year ended 30 April 2001.

#### **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 throughout the year. Although an independent Non-Executive Director, Mr. Kwan Ka Po was not appointed for a specific term, he is subject to retirement by rotation and is eligible to offer himself for re-election at the annual general meetings of the Company in accordance with the Company's Bye-laws.

**AUDITORS**

Deloitte Touche Tohmatsu acted as auditors of the Company for the years ended 30 April 1998, 1999 and 2000. On 10 July 2001, Deloitte Touche Tohmatsu tendered their resignation as the Company's auditors. Subsequently, Grant Thornton was appointed as auditors of the Company at a special general meeting of the Company held on 3 August 2001. Grant Thornton retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

**Lai Hok Lim, Alex**

*Chairman*

28 August 2001