

董事會報告書

REPORT OF THE DIRECTORS

董事會茲將截至二零零一年六月三十日止年度之報告書及已審核賬目送呈各股東省覽。

The Directors submit to the shareholders their report together with the audited accounts for the year ended 30th June 2001.

主要業務

本公司主要業務為投資控股。各附屬公司主要業務詳情載於賬目附註16。

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company. Principal activities of the subsidiaries are set out in Note 16 to the accounts.

本集團各項主要業務及經營地區之營業額及除稅前經營業績之貢獻載於賬目附註3。

An analysis of the Group's turnover and contribution to operating loss for the year by principal activities and location of operations is set out in Note 3 to the accounts.

更改名稱

依據於二零零一年三月二十六日通過之特別決議案，本公司名稱由「卓能科技(集團)有限公司」更改為「卓能(集團)有限公司」。更改名稱一事已於二零零一年四月四日生效。

CHANGE OF COMPANY NAME

Pursuant to a resolution passed on 26th March 2001, the name of the Company was changed from Cheuk Nang Technologies (Holdings) Limited to Cheuk Nang (Holdings) Limited effective on 4th April 2001.

業績及分派

本集團截至二零零一年六月三十日止年度之業績詳列於第27頁之綜合損益計算表內。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30th June 2001 are set out in the consolidated profit and loss account on page 27.

董事會不建議派發股息。

The Directors do not recommend the payment of a dividend.

五年財務概要

本集團最近五年之業績、資產及負債概要詳列於第2頁至第3頁內。

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 2 and 3.

股本

股本之變動詳情載於賬目附註20。

SHARE CAPITAL

Details of the movements in share capital are set out in Note 20 to the accounts.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

儲備

本公司及本集團於本年度內之儲備變動詳情列於賬目附註21。

依據香港公司條例第79B條之計算方式，本公司於二零零一年六月三十日之可分派儲備為港幣219,039,000元(二零零零年：港幣273,661,000)。

固定資產

本集團固定資產之變動詳情刊載於賬目附註12。

物業

本集團於物業權益之詳情刊載於第77至第80頁內。

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in Note 21 to the accounts.

Distributable reserves of the Company at 30th June 2001, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$219,039,000 (2000: HK\$273,661,000).

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in Note 12 to the accounts.

PROPERTIES

Details of the Group's interest in properties are set out on pages 77 to 80.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

銀行貸款、透支及其他借貸

本集團於二零零一年六月三十日之銀行貸款、透支及其他借貸如下：

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The amounts of bank loans, overdrafts and other borrowings of the Group at 30th June 2001 were as follows:

		集團 Group 港幣千元 HK\$'000
銀行貸款	Bank loans	274,960
銀行透支	Bank overdrafts	14,148
一有關連公司墊款	Advances from a related company	111,192
		<u>400,300</u>

償還期分析：

Repayment analysis:

銀行貸款及透支	Bank loans and overdrafts	
少於一年	Not exceeding one year	289,108
一有關連公司墊款	Advances from a related company	
無固定還款期	No fixed repayment terms	111,192
		<u>400,300</u>

本集團之債務與資本比率大約為百分之三十九(二零零零年：百分之三十七)，以銀行貸款、透支及其他借貸除以集團資產淨值計算。其中，銀行貸款與透支及透過一有關連公司之董事貸款佔本集團債務比率分別為百分之七十二(二零零零年：百分之八十二)及百分之二十八(二零零零年：百分之十八)。

The Group's debt to equity ratio was approximately 39% (2000: 37%) expressed as a percentage of bank loans, overdraft and other borrowings over net assets of the Group. The ratio of bank loans and overdrafts and director's advances through a related company over the Group's financial debt is 72% (2000: 82%) and 28% (2000: 18%) respectively.

截至二零零一年六月三十日，本集團大部份的現金及銀行結存、銀行貸款、透支及其他借貸均為港幣。

Most of the Group's cash and bank balances, bank loans, overdrafts and other borrowings were denominated in Hong Kong dollar as at 30th June 2001.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

年內，為增強本集團之財政狀況，本公司以每股港幣0.1元之價值發行五億三千九百萬股供股股份。所得的淨收入約港幣五千四百萬元已作減少本集團負債之用。

就現有之銀行信貸額及現金而言，本集團有足夠流動資金以應付目前需求。

董事

本年度內本公司之董事為：

趙世曾先生
鄧永康先生
胡永傑先生
謝立忠先生
何秀芬小姐

鄧永康先生須於股東週年大會上輪值引退，唯如再度當選則願意連任。

本公司並無與任何董事簽訂不可於一年內終止及除法例規定之賠償以外需予賠償之服務合約。

During the year, in order to further strengthen the Group's financial position, the Company issued 539 million shares by way of a rights issue at a price of HK\$0.1 per share. Net proceeds raised of approximately HK\$54 million were used for the reduction of indebtedness of the Group.

The Group has sufficient working capital for its present requirements after taking into account the available credit facilities and cash in hand.

DIRECTORS

The Directors during the year were:

Cecil Sze-Tsung Chao
Wing-Hong Tang
Wing-Kit Wu
Lap-Chung Tse
Connie Sau-Fun Ho

Mr. Tang Wing-Hong will retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

None of the Directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

董事股份權益

於二零零一年六月三十日，根據證券(披露權益)條例第29條所需存放之登記冊之紀錄，或已通知本公司者，本公司之董事及行政總裁擁有本公司股本權益如下：

普通股每股港幣0.001元

DIRECTORS' INTERESTS IN SHARES

As at 30th June 2001, the interests of the Directors and Chief Executive in the shares of the Company as recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance or as notified to the Company were as follows:

Ordinary shares of HK\$0.001 each

姓名	Name	股份數目	
		個人權益 Personal interests	法團權益 Corporate interests
趙世曾	Cecil Sze-Tsung Chao	371,633,418	1,630,462,784

附註：趙世曾先生於上表所披露之「法團權益」即本公司之主要股東欣然有限公司所持之股份。

Note: The shareholdings disclosed by Mr Cecil Sze-Tsung Chao under the heading "Corporate Interests" in the above represents the shares held by Yan Yin Company Limited, a substantial shareholder of the Company.

本公司並無授予本公司董事、行政總裁或其聯繫人等任何可認購本公司股份之權利。

The Company did not grant to the Directors, Chief Executive or their associates any right to subscribe for shares in the Company.

於二零零一年六月三十日，除上述外，各董事及其聯繫人等並無擁有本公司或其附屬公司之股份。

Apart from the above, none of the Directors or their associates had any interest in any shares of the Company or its subsidiaries as at 30th June 2001.

於本年度內，本公司、附屬公司、同母系附屬公司或其母公司並無參與任何協議使本公司董事可購買本公司或其他公司之股份或債券並從中得到利益。

At no time during the year was the Company, any of its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements 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.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

主要股東

於二零零一年六月三十日，根據證券(披露權益)條例第十六(一)條所需存放之主要股東登記冊顯示，除以上所披露之董事及行政總裁之權益外，本公司並未獲悉任何人士擁有佔本公司已發行股本百分之十或以上之權益。

購買、出售或贖回上市股份

於本年度內本公司並無贖回任何本公司之股份，本公司或其附屬公司亦無購入或出售本公司之股份。

董事合約權益

除於賬目附註第27項內所述之董事合約權益外，本集團就向欣然有限公司(「欣然」)及趙世曾建築師有限公司(「CCAL」)提供行政服務而收取管理費用；本集團亦租予欣然及CCAL部份物業作辦公室之用。趙世曾先生，本公司之董事，亦為CCAL之董事及實益擁有人。鄧永康先生，本公司之董事，亦為CCAL之董事。

胡永傑先生及謝立忠先生均為簡家驄律師行之合夥人，該律師行一直為本集團提供法律服務且就該等服務收取一般專業費用。

除上述交易外，於本年度內及年度終結時，各董事均未在任何與本公司、附屬公司、同母系附屬公司及控股公司所簽訂並與本公司業務有關之重大合約交易中擁有直接或間接之利益。

SUBSTANTIAL SHAREHOLDERS

At 30th June 2001, the register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance shows that the Company had not been notified of any substantial shareholders' interests, being 10% or more of the Company's issued share capital, other than those of the Directors and Chief Executive as disclosed above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS' INTERESTS IN CONTRACTS

In addition to the directors' interests in contracts set out in Note 27 to the accounts, the Group charged management fees to Yan Yin Company Limited ("Yan Yin") and Cecil Chao & Associates Limited ("CCAL") for the provision of administrative support services. The Group also let certain property to Yan Yin and CCAL as office. Mr Cecil Sze-Tsung Chao, a director of the Company, is a director and beneficial owner of CCAL. Mr Wing-Hong Tang, a director of the Company, is a director of CCAL.

Messrs Wing-Kit Wu and Lap-Chung Tse are partners of Messrs Fred Kan & Co., a firm of solicitors which provides legal services to the Group on a continuing basis on normal commercial terms.

Apart from the above, no other contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its holding company 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.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

關連交易

關連交易之主要詳細資料載於賬目附註第27項內及上述之董事合約權益中。

管理合約

於本年度內本公司並無訂立或存在任何有關本公司全部或其中任何主要部份業務之管理及行政之合約。

主要客戶及供應商

在本年度內，本集團之五大供應商及最大供應商佔本集團之採購額分別達百分之七十四及百分之四十四。

在本年度內，本集團之五大顧客及最大顧客佔本集團之營業額分別達百分之四十六及百分之二十五。

在本集團之五大供應商中，趙世曾建築師有限公司佔本公司總採購額百分之十六。

除以上所述外，於二零零一年六月三十日，並無本公司董事、其關連人士或任何股東(就董事所知擁有本公司股本超過百分之五者)在本公司五大客戶及五大供應商中擁有任何實益權益。

董事及高層管理人員個人資料

本集團各董事及高層管理人員之簡短個人資料載於第11頁至第12頁內。

CONNECTED TRANSACTIONS

Details of connected transactions are set out in Note 27 to the accounts and in the above under Directors' interests in contracts.

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 year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers and the largest supplier of the Group accounted for 74% and 44% respectively of the Group's total purchases.

During the year, the five largest customers and the largest customer of the Group accounted for 46% and 25% respectively of the Group's total turnover.

Among the Group's five largest suppliers, CCAL contributed to 16% of the Group's total purchases.

Save as aforesaid, at 30th June 2001, none of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any beneficial interests in the Group's five largest customers and suppliers.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details in respect of the Directors and senior management of the Group are set out on pages 11 to 12.

董事會報告書 (續)

REPORT OF THE DIRECTORS (cont'd)

執行上市規則之最佳應用守則

年內，除本公司之獨立非執行董事因須依據本公司之公司組織章程細則第94條及103條之規定在股東週年大會上輪值告退及重選而並無指定任期外，本公司已依據並遵守香港聯合交易所有限公司證券上市規則附錄十四之最佳應用守則。

審核委員會

審核委員會與管理層已審閱本集團所採納之會計原則及慣例，並討論了審計、內部控制及財務申報事項，包括審閱截至二零零一年六月三十日止年度之經審核財務報告。

員工

截至二零零一年六月三十日止，本集團共僱用21名員工，其薪酬一般是逐年檢討。本集團亦為員工提供其他福利，其中包括年終雙糧、為退休計劃供款及購買保險。

核數師

本公司截至二零零一年六月三十日止年度之賬目已經由羅兵咸永道會計師事務所審核，該核數師任期屆滿，備聘再任。

本公司截至一九九九年六月三十日止年度之賬目由羅兵咸會計師事務所審核。當羅兵咸會計師事務所與永道會計師事務所於二零零零年合併後，羅兵咸永道會計師事務所已代替了羅兵咸會計師事務所。

承董事會命
執行主席
趙世曾

香港，二零零一年九月二十七日

卓能(集團)有限公司 CHEUK NANG (HOLDINGS) LIMITED

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

During the year, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, except that the independent non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with Articles 94 and 103 of the Company's Articles of Association.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the audited financial statements for the year ended 30th June, 2001.

STAFF

As at 30th June 2001, the Group employed 21 staff. Staff remuneration packages are normally reviewed annually. The Group also provides other staff benefits, which include year end double pay and contributions to defined contribution retirement and insurance schemes.

AUDITORS

The accounts for the year were audited by PricewaterhouseCoopers who will retire and, being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting.

The accounts for the year ended 30th June 1999 were audited by Price Waterhouse. PricewaterhouseCoopers replaced Price Waterhouse in 2000 following the merger of Price Waterhouse and Coopers & Lybrand.

On behalf of the Board
CECIL CHAO
Executive Chairman

Hong Kong, 27th September 2001