

CHAIRMAN'S STATEMENT

Business Review

The Group recorded a turnover of HK\$60,685,000 for the year ended March 31, 2002 representing a decrease of 10.3% from HK\$67,621,000 for the previous year. The loss attributable to shareholders for the year ended March 31, 2002 was HK\$39,708,000 representing an improvement of 60.2% as compared with HK\$99,829,000 in 2001.

Market and Business

Credit Card Business

The Group acquired two subsidiaries in April 2000 to carry on business in Hong Kong as a non-bank standalone card issuer and service provider for MasterCard Cards and Countdown Discount Cards. MasterCard is one of the world's most recognised and accepted credit cards with cash advance facilities at automatic teller machines. Countdown Discount Cards entitle the holders to discounts and/or privileges on purchases made at participating merchants in 26 countries around the world.

The credit card industry has been operating under fierce competition and the Group has positioned its development plan over certain niche segments to meet ever-rising customer demands. The Group has taken positive steps to carry out tight control on loan assessments and approvals and will continue to exercise a conservative and prudent policy in granting loans in order to maintain a quality loan portfolio and reduce the credit risk exposure of the Group.

The slowdown in the US economy, coupled with the effects of the events of September 11, 2001, seriously affected the Hong Kong market. The unemployment rate has reached a record high of approximately 7.7%, accompanied by a surge in personal bankruptcy to over 10,000 cases for the first six months of 2002. Despite the difficult operating environment, the Credit Card business recorded a turnover of HK\$49.7 million, representing an increase of 17.7% from 2001. During the same period, it had an operating profit of approximately HK\$8.4 million as compared to a loss of HK\$1.1 million in 2001. The results support the fact that 2002 was a growth and development year for the Credit Card business.

主席報告

業務回顧

本集團於截至二零零二年三月三十一日止年度之營業額為60,685,000港元，較去年之67,621,000港元下跌10.3%。於截至二零零二年三月三十一日止年度之股東應佔虧損為39,708,000港元，與二零零一年之99,829,000港元比較，有60.2%之改善。

市場與業務

信用卡業務

於二零零零年四月，本集團收購兩家附屬公司，並在香港繼續經營業務，作為萬事達卡及Countdown折扣卡的非銀行獨立發卡機構及服務供應商。萬事達卡乃世界首屈一指及最受歡迎的信用卡之一，能透過自動櫃員機提供現金墊款。而Countdown折扣卡的持有人則可於全球26個國家的商號購物時取得折扣及／或享有優惠。

信用卡行業競爭激烈，但本集團之發展計劃仍能找到獨特之定位，以滿足客戶不斷提昇的要求。本集團已採取積極措施，以進行嚴格的借貸評估及批核，同時，在批授貸款方面，本集團亦將繼續奉行穩健審慎政策，以期維持優質的貸款組合，並減低本集團的信貸風險。

美國經濟放緩，加上受二零零一年的九一一事件影響，令香港市場大受打擊。失業率升至約7.7%的歷史高位，而二零零二上半年的個人破產數字亦大幅飆升至超過10,000宗。雖然經營環境困難，但信用卡業務仍錄得營業額49,700,000港元，較二零零一年上升17.7%。同期，信用卡業務之經營溢利約為8,400,000港元，而二零零一年則錄得虧損1,100,000港元。這些業績正好印證信用卡業務於二零零二年之增長及發展。

Financial and Securities Investment

The financial and securities investment division of the Group recorded a turnover of HK\$6.7 million for the year ended March 31, 2002, representing an increase of 4.2% from HK\$6.4 million for the previous year. Although the financial market was highly volatile during the period, the financial and securities investment division recorded an operating profit of HK\$7.8 million as compared to a loss of HK\$12.2 million in 2001. The Group is cautious in investment and fund management, with the aim to optimise return, safeguard assets and satisfy liquidity requirements. A professional treasury team is dedicated to managing the investment of the funds.

Property Investment

Despite a series of interest rates cuts, the property market continues its downward trend. Operation income from property investment declined due to weakened market conditions but the situation was moderated by effective cost reduction. Due to the uncertainty in the property market, the development of the sites will be deferred. Further cost cutting measures on operating overhead will be implemented.

China Gas Holdings Limited

As at March 31, 2002, the Company holds a 52.86% interest in the ordinary shares of a listed subsidiary, China Gas Holdings Limited ("China Gas") (formerly known as Hai Xia Holdings Limited). China Gas has recently diversified into the energy sector in the People's Republic of China ("PRC") by entering into agreements to invest in joint ventures in natural gas projects in the outer Beijing area, in Hunan and Hubei Provinces in the PRC.

eBanker and Global Med

In January 2002, the Group completed the acquisition of its investments in Global Med Technologies, Inc. ("Global Med") and eBanker USA.com, Inc. ("eBanker") with an aggregate consideration which was satisfied by reducing the amount of convertible debentures issued by eVision International, Inc., a principal associate of the Group. As at March 31, 2002, the Group holds an interest of approximately 40.3% interest in eBanker and an aggregate interest of approximately 58.4% in Global Med (comprising direct interest of 12.5% and through eBanker of 45.9%).

eBanker is principally engaged in the provision of high-margin products and services to underserved financial niche markets. eBanker offers financial products and services including corporate credit card facilities, customised corporate financing, share financing, bond financing and property development financing.

金融及證券投資

本集團的金融及證券投資部門於截至二零零二年三月三十一日止年度錄得6,700,000港元之營業額，即較去年的6,400,000港元上升4.2%。儘管金融市場於期內極為波動，但金融及證券投資部門仍錄得經營溢利7,800,000港元，而二零零一年則虧損12,200,000港元。本集團在投資及資金管理方面甚為審慎，以期增加回報、保障資產及符合流動資金之要求。一隊專業的財政隊伍專責管理資金投資。

物業投資

利率雖然連番下調，但地產市道仍然持續下滑。由於市況疲弱，來自物業投資之經營收入下降，惟藉有效的成本削減措施，情況稍見緩和。由於物業市場不明朗，各地盤之發展工程將延期進行，且本集團將進一步實行成本削減措施，以減低經常性開支。

中國燃氣控股有限公司

於二零零二年三月三十一日，本公司持有一家上市附屬公司中國燃氣控股有限公司（「中國燃氣」）（前稱海峽集團有限公司）之普通股52.86%之權益。中國燃氣最近就投資於在北京外圍地區、湖南及湖北省經營天然氣項目之合營企業簽訂協議，藉此將業務擴展至中華人民共和國（「中國」）能源行業。

eBanker及Global Med

本集團於二零零二年一月完成收購其於Global Med Technologies, Inc.（「Global Med」）及eBanker USA.com, Inc.（「eBanker」）之投資，以減少本集團之主要聯營公司eVision International, Inc.所發行之債券數目之方式償付。於二零零二年三月三十一日，本集團持有eBanker約40.3%權益，及Global Med合共約58.4%權益（包括直接持有之12.5%權益及透過eBanker持有之45.9%權益）。

eBanker的主要業務為向較少人涉足的獨特金融市場提供高利潤產品及服務。eBanker以客為本，提供特訂之金融產品及服務，包括公司信用卡服務、切合客戶所須之公司融資、股份融資、債券融資及物業發展融資服務。

Global Med is an e-Health medical information technology company providing information management software products and services to the healthcare industry. Global Med has completed the development of SAFETRACE® and SAFETRACE TX™, a transfusion management information system that is designed to be used by hospitals and centralized transfusion centers to help insure the quality of blood transfused into patient-recipients. SAFETRACE TX™ provides electronic cross-matching capabilities to help insure blood compatibility with patient-recipients and will track, inventory, bill and document all activities with blood products from the time blood products are received in inventory to the time the blood products are used or returned to blood centers.

Global Med's Wyndgate Technologies division is a leading supplier of management information systems to U.S. blood centers. Global Med continues to concentrate its development efforts on enhancements to its existing SAFETRACE® blood bank product and SAFETRACE TX™, Wyndgate's transfusion management information system software product. The Food and Drug Administration of USA has cleared both products for sale in the United States. SafeTrace Tx is a Microsoft® Windows® based, feature-rich hospital transfusion service management information system that is uniquely designed and proven to fully support enterprise-wide centralized transfusion services (CTS) management. This is in addition to its demonstrated success in the small hospital/laboratory environment. Features include advanced functionality such as electronic and remote crossmatch, automated patient special needs and antigen/antibody screens. Wyndgate's donor management product, SafeTrace, is a comprehensive, integrated blood center management information system built on an Oracle relational database management system (RDBMS). Current clients of Wyndgate's products and services manage more than 3.3 million units of blood or over 22% of the U.S. blood supply each year.

Global Med's subsidiary, PeopleMed.com, Inc. ("PeopleMed") supports chronic disease management as an Application Service Provider. PeopleMed's system uses the Internet to coordinate sources and users of a patient's clinical information, including laboratory, pharmacy, primary and specialty care providers, claims, and medical records. In addition to the system's Internet capabilities, PeopleMed also plans to include interfaces to hand-held devices, fax machines, alphanumeric pagers, interactive voice response, and many types of patient-monitoring devices in its information infrastructure.

For the three months ended March 31, 2002, Global Med reported income from operations of US\$39,000 on revenues of US\$1,581,000. The Company also posted positive cash flows from operations of US\$46,000 for the quarter. This compares with a loss from operations of US\$817,000 and revenues of US\$1,259,000 for the comparable three months ended March 31, 2001.

Global Med為電子保健藥物資訊科技公司，為健康護理業提供資訊管理軟件產品及服務。Global Med已完成開發輸血管理資訊系統 SAFETRACE® 及 SAFETRACE TX™，該系統專為醫院及輸血中心而設，以助確保病人輸入血液的質素。SAFETRACE TX™可進行電子交叉測試，以助確保病人之血液與所輸入血液吻合，並追蹤、清查、記錄及引證血液產品自收入血庫起至獲使用或送回血液中心期間的所有活動。

Global Med的Wyndgate Technologies部門為美國輸血中心管理資訊系統供應商中之翹楚。Global Med繼續致力進行開發工作，以改良其現有的SAFETRACE®血庫產品及Wyndgate輸血管理資訊系統軟件產品SAFETRACE TX™。美國食物及藥物管理部門已批准該兩種產品在美國銷售。SafeTrace Tx建基於Microsoft® Window®，乃一種多功能的醫院輸血服務資訊系統，除於小型醫院／實驗室成功使用外，該系統乃專為各企業的中央化輸血服務(CTS)管理而設計，並證實能全面支援CTS管理。該系統附有電子及遙距交叉配對、自動解決病人特殊需要及抗原／抗體屏等先進功能。Wyndgate捐血管理產品SafeTrace為一種建基於Oracle關係數據庫管理系統(RDBMS)之綜合及整合血液中心管理資訊系統。目前使用Wyndgate產品及服務的客戶每年管理超過3,300,000個單位的血液或美國每年血液供應的22%以上。

Global Med的附屬公司PeopleMed.com, Inc. (「PeopleMed」)乃應用服務供應商，有助管理慢性疾病。PeopleMed之系統使用互聯網協調病人臨床資料的來源與使用者，包括實驗室、藥房及專門護理人員、索償及藥物記錄。該系統除附設互聯網功能外，PeopleMed亦計劃於其資訊設施中加入掌上型裝置、傳真機、數字型傳呼、互動聲控等界面及多款病人監測裝置。

截至二零零二年三月三十一日止三個月，Global Med錄得經營收入39,000美元，收益1,581,000美元。本公司亦於該季度因經營業務取得現金流量46,000美元。而截至二零零一年三月三十一日止三個月之經營虧損為817,000美元，而收益則為1,259,000美元。

PROSPECTS

On April 24, 2002, the Group entered into a Compromise Agreement with MBf Asia Capital Corporation Holdings Limited (“MBf Asia”) relating to the settlement of the litigation in relation to the credit card business. Pursuant to the Compromise Agreement, the Group will transfer 18% interest in a subsidiary, Online Credit Card Limited (“OCCL”) to MBf Asia. MBf Asia is part of a conglomerate operating principally in Malaysia that is one of the largest credit card issuers in Malaysia. By introducing MBf Asia as a strategic shareholder, it is expected that the credit card business will benefit in terms of utilizing the knowledge and expertise of MBf Asia in the credit card industry, obtaining information technology support from MBf Asia and assistance from MBf Asia towards OCCL in seeking recognition with VISA International to become one of its licensed credit card issuers.

According to the Energy Information Administration of US Department of Energy, natural gas usage in the PRC in 1999 only accounted for 2.8% of total energy consumption, which is especially low when compared to an average of 22% in developed countries. Coupled with favourable government environmental policies and wider consumer acceptance, it is expected that the usage of natural gas will increase substantially. The construction of West to East Pipelines project and gas transmission networks are currently progressing. As the PRC's energy sector continues to evolve with the heightened use of natural gas, we believe China Gas is well placed to capitalise on the opportunities. China Gas will expand its natural gas business by leveraging off the strengths and the networks of its strategic partners in the PRC. By introducing Hai Xia Finance Holdings Limited as a strategic shareholder, it is expected that more PRC natural gas projects will be procured in the future.

On June 28, 2002, the Group entered into a conditional agreement to dispose of a 4% interest in the issued share capital of a subsidiary, Global Med International Limited (“GMIL”) to an independent third party for a consideration of HK\$18 million. Prior to completion of such agreement, GMIL will hold 45.9% interest in Global Med. Global Med recently signed five-year marketing, development and ASP agreements with National Jewish Medical and Research Center, one of the world's most renowned respiratory medical and research centers, to jointly launch an advanced and comprehensive Internet-based respiratory disease management program. Given the huge opportunities in safe blood for Africa and China and Global Med's leadership position in US, we believe Global Med has a very exciting future and substantial capital appreciation potential.

We are realistically optimistic about our future. Our business foundation is strong and our strategic partnerships are solid. By effective utilisation of our capital, we will expand and extend our business in the years to come.

展望

於二零零二年四月二十四日，本集團與 MBf Asia Capital Corporation Holdings Limited (「MBf Asia」) 就解決有關信用卡業務之訴訟而訂立和解協議。根據和解協議，本集團須轉讓其附屬公司聯網信用卡有限公司 (「聯網信用卡」) 之 18% 權益予 MBf Asia。MBf Asia 是一家主要於馬來西亞營運之企業旗下之公司，該集團為馬來西亞最大信用卡發行機構之一，MBf Asia 加盟成為策略性股東後，預期本集團之信用卡業務可藉著 MBf Asia 於信用卡業務之知識及專業經驗，從 MBf Asia 得到的資訊科技支援及 MBf Asia 協助聯網信用卡尋求 VISA International 認可為許可信用卡發行機構之一而受惠。

根據美國能源部能源資訊局的資料顯示，在一九九九年，中國之天然氣使用量只佔總能源耗用量之 2.8%，與其他已發展國家平均為 22% 相比特別偏低。在政府環境政策推動下，加上消費者日漸接受，預料天然氣之使用率將大幅上升。西氣東輸的管道項目正在進行，燃氣輸氣網絡亦正逐步興建。由於中國能源業隨著天然氣應用增加不斷演進，我們相信中國燃氣正準備就緒，以掌握此等良機。中國燃氣將利用策略性夥伴於中國的優勢及網絡，擴充本身的天然氣業務。海峽金融控股有限公司加盟成為策略性股東後，預計本集團將來可取得更多中國天然氣項目。

於二零零二年六月二十八日，本集團訂立有條件協議，以 18,000,000 港元之代價出售一家附屬公司 Global Med International Limited (「GMIL」) 已發行股本 4% 權益予一名獨立第三方。完成有關協議前，GMIL 將持有 Global Med 之 45.9% 權益。Global Med 近期與國際知名之呼吸系統藥物及研究中心 National Jewish Medical and Research Center 簽署五年市務、發展及 ASP 協議，共同推出先進及全面之互聯網呼吸系統疾病管理程式。由於非洲及中國在管理安全血液方面存在巨大商機，加上 Global Med 在美國位居領導地位，我們相信 Global Med 之前景非常樂觀，並擁有龐大的升值潛力。

綜觀現實情況，本集團對未來相當樂觀。本集團之業務基礎穩健，且與策略性夥伴之關係鞏固。藉著善用資金，本集團將於未來數年擴展及進一步開拓其業務。

CHAIRMAN'S STATEMENT – continued

APPRECIATION

I would like to thank the members of the Board for their guidance and to extend my appreciation to the management and staff for their continued dedication and hard work.

On behalf of the Board

CHAN HENG FAI

Chairman and Managing Director

Hong Kong, July 26, 2002

主席報告 – 續

致謝

本人謹此對董事會各成員的英明指導致謝，並向一直鞠躬盡瘁的管理層及員工致意。

代表董事會

主席兼董事總經理

陳恒輝

香港，二零零二年七月二十六日