

## **Report of the Directors**

The Directors present their annual report and the audited financial statements for the year ended 31st March 2003.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and provision of corporate management services. The activities of its principal subsidiaries and associates are set out in notes 32 and 15 to the financial statements, respectively.

### **RESULTS**

The results of the Group for the year ended 31st March 2003 are set out in the consolidated income statement on page 14.

The directors do not recommend the payment of a final dividend.

### **PROPERTY, PLANT AND EQUIPMENT**

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

### **DIRECTORS**

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

#### **Executive directors**

Wong Kin Wah, George  
Hwang Yiou Hwa, Victor  
Hwang Yiu Hwa, Richard  
Hwang Teh Hwa, Tony

#### **Independent non-executive directors**

Ma Chi Man  
The Hon Lau Hon Chuen, Ambrose, G.B.S., J.P.

In accordance with the Company's Bye-laws, Messrs. Hwang Yiou Hwa, Victor and Ma Chi Man shall retire from the board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

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### DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

- (a) (1) During the year, the Group had the following transactions with Tri-View Limited (“Tri-View”) of which Messrs. Wong Kin Wah, George, Hwang Yiou Hwa, Victor, Hwang Yiu Hwa, Richard and Hwang Teh Hwa, Tony were directors and in which they had beneficial interests.
- (i) Building management fee of HK\$101,016 was paid to Tri-View for office management services provided to the Group.
  - (ii) General expenses of HK\$3,722,668 was paid to Tri-View for daily operating activities provided to the Group.
- (b) Other than as disclosed above, no contracts of significance to which the Company, its holding company, fellow subsidiaries or 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.
- (c) At no time during the year was the Company, its holding company, fellow subsidiaries or subsidiaries 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.
- (d) No director 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.

### MANAGEMENT PROFILES

#### A. Executive directors

**Mr. Wong Kin Wah, George**, aged 51 is Chairman of the Group. He has been engaged in construction and real estate business in Taiwan and Hong Kong since graduating in building construction design in 1973. He was appointed as Director in 1992.

**Mr. Hwang Yiou Hwa, Victor**, aged 49 held a Bachelor Degree in Administration and Finance. He has been involved in the Group’s overseas business developments. He was appointed as Director in 1992.

**Mr. Hwang Yiu Hwa, Richard**, aged 48 held a Bachelor Degree of Science in Civil Engineering. He has been involved in construction field since 1982. He was appointed as Director in 1993.

**Mr. Hwang Teh Hwa, Tony**, aged 47 held a Master Degree in Management and Organisational Development. He is responsible for the development of business in mainland China. He was appointed as Director in 1992.

Mr. Wong Kin Wah, George, Mr. Hwang Yiou Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony are brothers.

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### MANAGEMENT PROFILES (Continued)

#### B. Independent non-executive directors

**Mr. Ma Chi Man**, aged 71 is a Vice-chairman of the International Chinese Culture Institute and the honorary chairman of Hong Kong Association of China Travel Organisations Limited. He was appointed as Director in 1994.

**The Honourable Lau Hon Chuen, Ambrose**, G.B.S., J.P., aged 56 is the senior partner of Chu & Lau, Solicitors and Notaries. Mr. Lau is a member of the Legislative Council, the Standing Committee Member of the National Committee of Chinese People's Political Consultative Conference and the Board of the Urban Renewal Authority among his many public service appointments. He was appointed as Director in 1995.

#### C. Senior Management Staff

**Mr. Sin Kit Leung, Peter**, aged 63 held a diploma in Business Management. Mr. Sin has extensive experience in investment and real estate development. Mr. Sin joined the Group in 1990 and is responsible for business development of the Group.

**Mr. Chan Chi Fai, Brian**, aged 48 is a fellow member of The Association of Chartered Certified Accountants of the United Kingdom and the Hong Kong Society of Accountants. He has over 20 years of experience in banking and commercial sectors. Mr. Chan joined the Group in 1990 and is now responsible for the overall management of the Group.

**Mr. Laurence Neil Baum**, aged 49 is in charge of the Group's legal affairs since joining the Group in 1991. He is a Solicitor of the Supreme Court of England and Wales as well as Hong Kong.

**Mr. Eric Charrington**, aged 56 is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Society of Accountants. Before joining the Group in 1995, he was involved in direct investments in China and financial services in a multinational organisation.

**Mr. Cheung King Ching, Herbert**, aged 61 is an Authorised Person and Registered Architect with over 20 years of experience in construction and building industry. He joined the Hong Kong Parkview in 1988 and is responsible for the management of the Group's property construction activities.

**Mr. Chow Kwing Chan**, aged 51 has over 20 years of experience in the hotel industry and retail business. He joined the Hong Kong Parkview in 1988 and was involved in setting up the Group's motor car trading business. Since 1995 he has been in charge of Gallaria Furnishings International Limited.

**Mr. Chow Wai Kong, Eddie**, aged 54 is responsible for the overall management of the Group's marine business in Asia, Europe and North America. He has vast experience in the field of ferry operation and shipbuilding industry. Since joining the Group in 1990, he had been involved in projects of ocean cruise operation in South East Asia, fast ferry operations in Hong Kong, Macau and various regions of China.

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### MANAGEMENT PROFILES (Continued)

#### C. Senior Management Staff (Continued)

**Mr. Ng Chan Shing, Lawrence**, aged 59 has 30 years of experience in government and commercial sectors. Before joining the Group in 1997, Mr. Ng was a director of a diversified public company. Mr. Ng is responsible for the Group's household equipment trading activities.

### MANAGEMENT CONTRACTS

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

### DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31st March 2003, the Directors and their respective associates had interests in the issued share capital of the Company as follows:

	Personal interests	Number of shares held		Other interests
		Family interests	Corporate interests	
Wong Kin Wah, George	2,000,000	–	98,000,000 <i>(Note)</i>	–

*Note:* These shares were held by High Return Trading Limited and in which Mr. Wong Kin Wah, George was deemed to have interests since he was entitled to exercise more than one-third of the voting power at the general meetings of High Return Trading Limited. This interest has also been disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS".

Messrs. Wong Kin Wah, George, Hwang Yiu Hwa, Victor, Hwang Yiu Hwa, Richard and Hwang Teh Hwa, Tony are directors and shareholders of Kompass International Limited which owned 293,674,138 shares in the Company.

Apart from the above, no interests were held or deemed or taken under the Securities (Disclosure of Interests) Ordinance to be held by any Directors or Chief Executives of the Company or their respective associates in the share capital of the Company or any of its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Section 28 of the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance") or which are required pursuant to Section 29 of the SDI Ordinance to be entered in the register referred to therein.

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### SUBSTANTIAL SHAREHOLDERS

As at 31st March 2003, the following shareholders of the Company were interested in ten per cent or more of the issued share capital of the Company:

	<b>Number of shares held</b>
Kompass International Limited	293,674,138
High Return Trading Limited	98,000,000 ( <i>Note</i> )

*Note:* These shares represented the same parcel of shares as Mr. Wong Kin Wah, George was deemed to have interest in as disclosed above under "DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY".

Apart from the above, no other person was recorded in the register kept pursuant to Section 16 of the Securities (Disclosure of Interests) Ordinance as having an interest in ten per cent or more of the issued share capital of the Company.

### EMOLUMENTS OF DIRECTORS AND HIGHEST PAID EMPLOYEES

Details of emoluments of the directors and the five highest paid employees are set out in note 9 to the financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases attributable to the Group's largest supplier and the five largest suppliers during the year was 13.9% and 35.6% respectively.

The percentage of sales attributable to the Group's largest customer and the five largest customers during the year was 27.9% and 78.2%, respectively.

None of the directors, their associates or any shareholder which to the knowledge of the directors owned more than 5% of the Company's share capital has an interest in any of the Group's five largest customers or five largest suppliers.

### CONVERTIBLE SECURITIES, WARRANTS OR OPTIONS

There were no convertible securities, warrants or options issued by the Company or its subsidiaries during the year.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

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### **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.

### **COMPLIANCE WITH CODE OF BEST PRACTICE**

The Company has complied throughout the year ended 31st March 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

### **POST BALANCE SHEET EVENTS**

Details of significant events occurring after the balance sheet date are set out in note 33 to the financial statements.

### **AUDITORS**

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

On behalf of the Board

**Wong Kin Wah, George**  
*Chairman*

Hong Kong, 18th July 2003