

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The Group's principal activities have not changed during the year and consisted of the manufacture and retail of gold and gem-set jewellery products, retail of watches, wholesale of precious metals (previously included in retail of gold and gem-set jewellery products), securities and commodity broking, and gold bullion trading and property investment.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries, a jointly-controlled entity and associates are set out in notes 17, 18 and 19, respectively, to the financial statements.

SEGMENTAL INFORMATION

An analysis of the Group's turnover by geographical area of operations and the Group's turnover and contribution to profit from operating activities by principal activity for the year ended 31 December 2000 is as follows:

By geographical area:

People's Republic of China:

Hong Kong

Mainland China

Elsewhere

按地域劃分：

中華人民共和國：

香港

內地

其他地區

董事會報告

董事會謹將截至2000年12月31日止年度之報告及本公司與本集團之經審核財務報告送呈各股東省覽。

主要業務

本集團於年內之主要業務並無改變，包括製造及零售金飾及珠寶鑲作產品、鐘錶零售、貴金屬批發（先前計入金飾及珠寶產品零售）、證券及期貨經紀、期金買賣及物業投資。

本公司主要業務為投資控股。附屬公司、共同控權合資公司及聯營公司之主要業務分別載於財務報告附註17、18及19。

分部資料

截至2000年12月31日止年度本集團按營業地域劃分之營業額，與及按主要業務劃分之營業額及經營業務所得溢利貢獻之分析如下：

Turnover

營業額

HK\$'000

千港元

4,444,629

64,207

175,540

4,684,376

REPORT OF THE DIRECTORS

董事會報告

SEGMENTAL INFORMATION (CONTINUED)

分部資料(續)

		Turnover	Contribution to profit from operating activities
		營業額	經營業務 所得溢利貢獻
		HK\$'000	HK\$'000
		千港元	千港元
By activity:	按業務劃分：		
Manufacture and retail of gold and gem-set jewellery products and retail of watches	製造及零售金飾、珠寶 鑲作產品及鐘錶零售	2,125,699	50,472
Wholesale of precious metals	貴金屬批發	2,502,823	6,421
Securities and commodity broking, and gold bullion trading	證券及期貨經紀，及 期金買賣	48,865	26,989
Property investment and others	物業投資及其他	6,989	(4,402)
		<u>4,684,376</u>	<u>79,480</u>

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2000 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 22 to 70.

The board will recommend the payment of a final dividend of 6.0 cents per share in respect of the year ended 31 December 2000 to shareholders on the register of members of the Company on 18 May 2001.

Taking into account the interim dividend of 6.0 cents per share paid by the Company, the total dividend per share for the year will be 12.0 cents. The final dividend will be paid on 30 May 2001 following approval thereof at the forthcoming annual general meeting to be held on 18 May 2001. This recommendation has been incorporated in the financial statements.

業績及溢利分派

本集團截至2000年12月31日止年度之溢利及本公司與本集團於該日之財政狀況載於第22頁至第70頁之財務報告內。

董事會建議派發截至2000年12月31日止年度之末期股息每股6.0仙予於2001年5月18日已登記在本公司股東名冊上之股東。

連同本公司派發之中期股息每股6.0仙，本年度之每股股息總額將為12.0仙。末期股息將於2001年5月18日舉行之股東週年大會上獲批准後，於2001年5月30日派發。此項建議已納入財務報告內。

REPORT OF THE DIRECTORS

董事會報告

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out below. This summary is not part of the audited financial statements.

財務資料摘要

以下乃摘自經審核財務報告，經適當重新分類後之本集團過去五個財政年度之業績及資產與負債。此摘要並不屬於財務報告之一部份。

RESULTS

業績

		Year ended 31 December 截至12月31日止年度				
		2000 HK\$'000 千港元	1999 HK\$'000 千港元	1998 HK\$'000 千港元	1997 HK\$'000 千港元	1996 HK\$'000 千港元
TURNOVER	營業額	4,684,376	4,316,969	4,150,275	6,182,193	4,860,170
OPERATING PROFIT	經營溢利	78,028	148,203	123,873	208,239	102,371
Share of profits less losses of associates	應佔聯營公司溢利減虧損	1,049	588	475	571	669
PROFIT BEFORE TAX	除稅前溢利	79,077	148,791	124,348	208,810	103,040
Tax	稅項	(21,838)	(22,615)	(17,835)	(29,805)	(13,388)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利	57,239	126,176	106,513	179,005	89,652
Minority interests	少數股東權益	(517)	(609)	(111)	—	—
PROFIT BEFORE EXTRAORDINARY ITEM	除非經常性項目前溢利	56,722	125,567	106,402	179,005	89,652
Extraordinary item	非經常性項目	—	—	—	—	(8,000)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	股東應佔溢利	56,722	125,567	106,402	179,005	81,652

ASSETS AND LIABILITIES

資產與負債

		As at 31 December 於12月31日				
		2000 HK\$'000 千港元	1999 HK\$'000 千港元	1998 HK\$'000 千港元	1997 HK\$'000 千港元	1996 HK\$'000 千港元
TOTAL ASSETS	總資產	2,062,625	1,956,191	1,828,978	1,909,867	1,831,527
TOTAL LIABILITIES	總負債	257,797	259,723	181,603	228,154	225,340
MINORITY INTERESTS	少數股東權益	4,009	4,300	3,678	—	—
NET ASSETS	資產淨值	1,800,819	1,692,168	1,643,697	1,681,713	1,606,187

REPORT OF THE DIRECTORS

ACCOUNTING POLICIES

The principal accounting policies of the Group are set out in note 2 to the financial statements.

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group are set out in notes 13 and 14 to the financial statements, respectively.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 17 to the financial statements.

JOINTLY-CONTROLLED ENTITY AND ASSOCIATES

Particulars of the Group's interests in its jointly-controlled entity and associates are set out in notes 18 and 19 to the financial statements, respectively.

BANK LOAN AND OVERDRAFTS

Details of the bank loan and overdrafts of the Company and the Group are set out in note 27 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 29 to the financial statements. There were no changes therein during the year.

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.

RESERVES

Details of movements in the reserves of the Group during the year are set out in note 30 to the financial statements.

董事會報告

會計準則

本集團之主要會計準則載於財務報告附註2。

固定資產及投資物業

本集團固定資產及投資物業之變動詳情分別載於財務報告附註13及14。

附屬公司

本公司主要附屬公司之詳情載於財務報告附註17。

共同控權合資公司及聯營公司

本集團共同控權合資公司及聯營公司之詳情分別載於財務報告附註18及19。

銀行貸款及透支

本公司及本集團之銀行貸款及透支詳情載於財務報告附註27。

股本

本公司股本之詳情載於財務報告附註29。年內無任何變動。

優先購股權

本公司之公司細則或百慕達法律並無規定本公司必須向現有股東按持股比例提呈新股之優先購股權之條款。

儲備

年內本集團之儲備變動詳情載於財務報告附註30。

REPORT OF THE DIRECTORS

DISTRIBUTABLE RESERVES

At 31 December 2000, the Company's reserves available for distribution as dividends, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to HK\$1,420,512,000.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 57% of the total purchases for the year and the purchases from the largest supplier included therein amounted to 31%.

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

DIRECTORS

The directors of the Company during the year were:

Chow Kwen Ling	
Chow Kwen Lim	
Chan Bing Fun	(Independent non-executive director)
Chow Kwen Yum	
Vincent W.S. Chow	
Gerald K.S. Chow	
Stephen L.H. Ting	(Independent non-executive director)
Chung Pui Lam	(Independent non-executive director)
Winston W.S. Chow	
Chan Chak Lam	
Leung Kin Shik	(Retired on 23 June 2000)

Subsequent to the balance sheet date, Mr Chow Kwen Yum passed away on 19 February 2001.

In accordance with the Company's bye-laws, one third of the directors shall retire from office each year and therefore Chow Kwen Ling, Gerald K.S. Chow, Chan Chak Lam will retire at the forthcoming annual general meeting. Being eligible, Chow Kwen Ling and Gerald K.S. Chow will offer themselves for re-election.

董事會報告

可分派儲備

於2000年12月31日，本公司根據百慕達1981年公司法計算可供作股息分派之儲備達1,420,512,000港元。

主要客戶及供應商

本年度本集團五大客戶所佔銷售額佔全年總銷售額不足30%。本集團五大供應商所佔採購額佔全年總採購額57%，當中包括最大供應商所佔採購額達31%。

本公司各董事或其聯繫人仕，或就董事所知任何擁有本公司已發行股本5%以上之股東，概無持有該五大客戶或五大供應商之任何實益權益。

董事

年內本公司之董事如下：

周君令	
周君廉	
陳炳勳	(獨立非執行董事)
周君任	
周永成	
周敬成	
丁良輝	(獨立非執行董事)
鍾沛林	(獨立非執行董事)
周允成	
陳澤霖	
梁健錫	(於2000年6月23日退任)

嗣結算日後，周君任先生在2001年2月19日逝世。

根據本公司之公司細則，每年有三份之一董事任滿依章告退，周君令、周敬成及陳澤霖將於即將舉行之股東週年大會任滿依章告退，周君令及周敬成兩位均願膺選連任。



REPORT OF THE DIRECTORS

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Chow Kwen Lim MBE, JP, DSSc (Hon) *Chairman*

Age 74. He has been the General Manager of the Group from 1986 to 1997, and the Chairman of the Group since 1990. He was appointed President of the Group in 1998. As a founder of the Group, he has been in the jewellery business for over 55 years. Active in community service, he was awarded Doctor of Social Science, Honoris Causa by the Chinese University of Hong Kong in 1998 and is now an Honorary Professor of the Fudan University and Member of the Shunde City People's Political Consultative Committee. He is also an Honorary Citizen respectively of the cities of Guangzhou, Shunde, Foshan Changle and the city of Lanzhou, PRC.

Chow Kwen Ling *Honorary Chairman*

Age 77. He founded the Group along with his brothers Mr Chow Kwen Lim and Mr Chow Kwen Yum. He served as the General Manager and Chairman of the Group from 1973 to 1986. He was elected the Honorary Chairman upon retiring as Chairman in 1990. He is well experienced in corporate management.

Chan Bing Fun MB, BS, DMRT, FHKCR, FHKAM (Radiology)

Age 67. He has been a director of the Group for over 25 years. He is a medical doctor in private practice in Hong Kong.

Chow Kwen Yum

Died 19 February 2001. He was the brother of Mr Chow Kwen Lim, and a founder of the Group. He had been with the jewellery business for over 45 years and had extensive experience in trading and management.

Vincent W.S. Chow MBE, JP, *Group General Manager*

Age 54. He is Mr Chow Kwen Lim's son. The Group General Manager since 1998, he has been with the Group for over 18 years. His public service includes memberships on the Public Service Commission, the Council of the City University of Hong Kong and the Tourism Strategy Group. He serves on the Board of Governors and the General Committee of the Hong Kong Philharmonic Orchestra. He is Chairman of the Hong Kong Repertory Theatre, and he chairs the Academic Affairs Committee of the Council of the Hong Kong Academy for Performing Arts.

董事會報告

董事及高級管理人員簡歷

周君廉博士 MBE, 太平紳士, DSSc (Hon) *主席*

七十四歲。1986至1997年為集團總經理，1990年起任董事會主席。1998年榮任集團總裁。本集團創辦人之一，經營珠寶業務超過五十五年。熱心社會公益活動，1998年獲香港中文大學授予榮譽社會科學博士名銜，現任上海復旦大學名譽教授及廣東省順德市政協常委，並為廣州市、順德市、佛山市、長樂市及蘭州市榮譽市民。

周君令 *名譽董事長*

七十七歲。為周君廉先生及周君任先生之兄，與兩弟一起創辦本集團。1973至1986年曾任本集團董事會主席及總經理，1990年起任本集團名譽董事長，對企業管理，經驗豐富。

陳炳勳 MB, BS, DMRT, FHKCR, FHKAM (Radiology)

六十七歲。為香港私人執業醫生，已加入本集團董事會超過二十五年。

周君任

2001年2月19日逝世。為周君廉先生之弟及本集團創辦人之一，從事本業超過四十五年，具有廣泛的業務及行政經驗。

周永成 MBE, 太平紳士 *集團總經理*

五十四歲。為周君廉先生之子。1998年就任本集團總經理，在集團服務超過十八年。公職包括公務員敘用委員會委員、香港城市大學校董、旅遊業策略小組委員、香港管弦樂團監察及執行委員會委員、香港話劇團主席及香港演藝學校董會學術委員會主席。

REPORT OF THE DIRECTORS

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Dr. Gerald K.S. Chow

Age 44. He is Mr Chow Kwen Yum's son and has been a member of the board of directors since 1985. He is a dental surgeon in private practice in Hong Kong.

Stephen L.H. Ting FCCA, FHKSA, FTIHK, CPA

Age 47. He is an accountant in practice as Managing Partner of Ting Ho Kwan and Chan, Certified Public Accountants and has been a director of the Group since 1990.

Chung Pui Lam OBE, JP, LL.B(Hons)(Lond.) A.C.I. Arb

Age 60. He is a solicitor in practice. Apart from being a China-Appointed Attesting Officer, he also holds key posts in various organisations. He has been a director of the Group since 1995.

Winston W.S. Chow *Deputy General Manager*

Age 43. He is Mr Chow Kwen Yum's son and has experience in real estate in Canada. His key responsibilities include the marketing of the Group's jewellery business in Hong Kong and Taiwan. He has been a director of the Group for over 12 years. He also acts as the Vice-chairman respectively of the Diamond Federation of Hong Kong, China and the Association of Better Business & Tourism Services.

Chan Chak Lam

Age 60. He has been with the Group for over 35 years. Before his retirement from management, he was in charge of gem-set jewellery sourcing and production.

董事會報告

董事及高級管理人員簡歷(續)

周敬成

四十四歲。為周君任先生之子，香港私人執業牙科醫生。自1985年起任本集團董事。

丁良輝 FCCA, FHKSA, FTIHK, CPA

四十七歲。為執業會計師，現任丁何關陳會計師行司理合夥人，於1990年起加入本集團董事會。

鍾沛林 OBE, 太平紳士 LL.B (Hons) (Lond.) A.C.I. Arb

六十歲。為執業律師。除身為中國司法部委託公證人，亦在多個團體擔任要職，於1995年起加入本集團董事會。

周允成 副總經理

四十三歲。為周君任先生之子。曾於加拿大從事地產業。專責香港及台灣首飾的市場事務。擔任本集團董事超過十二年。現時亦分別擔任香港鑽石總會及旅遊服務業協會副主席之職務。

陳澤霖

六十歲。在本集團服務超過三十五年。退休前主管珠寶首飾生產及寶石採購工作。



REPORT OF THE DIRECTORS

董事會報告

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES

Details of the emoluments of the directors and those of the five highest paid employees in the Group are set out in notes 5 and 6 to the financial statements, respectively.

董事及五位最高薪酬僱員酬金

本集團董事及五位最高薪酬僱員酬金詳情分別載於財務報告附註5及6。

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

董事之服務合約

於即將舉行之股東週年大會上建議連任之董事，其與本公司訂立之服務合約概可於一年內為本公司終止，本公司就此毋須支付法定賠償以外之補償。

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Company to which the Company or any of its subsidiaries was a party during the year.

董事於合約之權益

於年內各董事並無在本公司或其任何附屬公司所訂立之任何重大合約中擁有重大權益。

DIRECTORS' INTERESTS IN SHARES

At 31 December 2000, the interests of the directors in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

董事於股本之權益

於2000年12月31日，按證券(披露權益)條例第29條保存之紀錄，各董事於本公司或其聯營公司股本中之權益如下：

		Nature of interest 權益性質					Notes 附註
Name of director 董事		Total number of shares 股份總數	Personal 個人	Family 家族	Corporate 公司	Other 其他	
Chow Kwen Ling	周君令	36,618,100	—	—	36,618,100	—	(3)
Chow Kwen Lim	周君廉	114,659,663	—	—	—	114,659,663	(1)
Chan Bing Fun	陳炳勳	1,100,000	1,100,000	—	—	—	
Chow Kwen Yum	周君任	81,870,264	—	—	11,870,264	70,000,000	(2),(4)
Vincent W.S. Chow	周永成	114,659,663	—	—	—	114,659,663	(1)
Gerald K.S. Chow	周敬成	86,485,065	16,406,400	78,665	—	70,000,000	(2)
Stephen L.H. Ting	丁良輝	—	—	—	—	—	
Chung Pui Lam	鍾沛林	—	—	—	—	—	
Winston W.S. Chow	周允成	86,144,920	16,080,920	64,000	—	70,000,000	(2)
Chan Chak Lam	陳澤霖	132,000	132,000	—	—	—	

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

Save as disclosed above, none of the directors or their associates had any interest (including personal, family and corporate interests) in the equity or debt securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2000, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name 股東	Number of shares held 持有數目	Notes 附註
Everwin Company Limited	114,659,663	(1)
Cititrust (Jersey) Limited	114,659,663	(1)
Happy Inc.	55,000,000	
Bermuda Trust (International) Limited	70,000,000	(2)

(1) Chow Kwen Lim and Vincent W.S. Chow are the beneficiaries of a discretionary trust, which holds 114,659,663 shares of the Company through Everwin Company Limited. The trustee of the trust is Cititrust (Jersey) Limited.

(2) Chow Kwen Yum, Gerald K.S. Chow and Winston W.S. Chow are the beneficiaries of a discretionary trust, which holds 70,000,000 shares of the Company. The trustee of the trust is Bermuda Trust (International) Limited.

董事於股本之權益(續)

除上文披露外，按證券(披露權益)條例定義，各董事或其聯繫人士概無擁有本公司或其聯營公司股本或債券之任何權益(包括個人、家族及公司權益)。

董事購入股份之權利

年內本公司或其附屬公司概無參與訂立任何安排可令本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東

於2000年12月31日，按證券(披露權益)條例第16(1)條，本公司須保存之權益名冊內登記擁有本公司股本10%或以上權益如下：

(1) 周君廉及周永成為一項全權信託之受益人，該項全權信託透過Everwin Company Limited擁有本公司114,659,663股股份權益。Cititrust (Jersey) Limited 為該項全權信託之信託人。

(2) 周君任、周敬成及周允成為一項全權信託之受益人，該項全權信託擁有本公司70,000,000股股份權益。Bermuda Trust (International) Limited 為該項全權信託之信託人。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

- (3) 36,618,100 shares in the Company are held by Happy Family Limited, of which Chow Kwen Ling and his spouse, Yue Bik Lan, own 40% of the equity interest. These shares are held as corporate interests under the attribution rules of the SDI Ordinance.
- (4) 11,870,264 shares in the Company are held by Eimoling Company Limited, of which Profit Gain Limited owns 40% of the equity interest. Profit Gain Limited is wholly owned by Chow Kwen Yum and he is deemed, under the attribution rules of the SDI Ordinance, to be interested in the 11,870,264 shares held by Eimoling Company Limited.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section “Directors’ interests in shares” above, had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

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 Listing Rules of The Stock Exchange of Hong Kong Limited (the “Listing Rules”), throughout the accounting period covered by the annual report.

主要股東(續)

- (3) 快樂家庭有限公司持有本公司36,618,100股股份，其中周君令及其配偶余碧蘭共同擁有40%之股本權益。根據證券(披露權益)條例有關應佔權益之規定，周君令被視作擁有一項應予登記之公司權益。
- (4) 愛慕玲有限公司持有本公司11,870,264股股份，其中Profit Gain Limited擁有40%之股本權益。Profit Gain Limited由周君任全資擁有，根據證券(披露權益)條例有關應佔權益之規定，周君任被視作擁有由愛慕玲有限公司所持11,870,264股股份之權益。

除上文披露及以上「董事於股本中之權益」涉及之本公司董事外，並無其他人仕於本公司股本中登記持有根據證券(披露權益)條例第16(1)條須記錄之權益。

購買、出售或贖回上市證券

於本年內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

最佳應用守則

董事認為，本公司於本年報所述之會計期間均已遵守香港聯合交易所有限公司上市規則(「上市規則」)附錄14所載之最佳應用守則。

REPORT OF THE DIRECTORS

董事會報告

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

核數師

安永會計師事務所任滿告退，惟有關膺聘其留任之決議案將會提呈於即將舉行之股東週年大會。

ON BEHALF OF THE BOARD

承董事會命

Chow Kwen Lim
Chairman

Hong Kong
10 April 2001

主席
周君廉

香港
2001年4月10日