

The directors have pleasure in submitting the annual report together with the audited accounts for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of principal subsidiaries are set out in note 28 on the accounts.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 3 on the accounts.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總額
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總額

At no time during the year, have the directors, their associates or any shareholders of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had any interest (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) in these major customers and suppliers.

董事會欣然提呈截至二零零零年十二月三十一日止年度之週年報告及經審核賬項。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務及其他詳情載於賬項附註28。

本公司及其附屬公司於本財政年度按主要業務及經營地區劃分之分析載於賬項附註3。

主要客戶及供應商

於本財政年度內，有關主要客戶及供應商應佔本集團銷售額及採購額之資料如下：

Percentage of the Group's total 佔本集團總額 百分比	
Sales 銷售額	Purchases 採購額

The largest customer	最大客戶	66%	
Five largest customers in aggregate	五大客戶總額	68%	
The largest supplier	最大供應商		21%
Five largest suppliers in aggregate	五大供應商總額		44%

於本年度任何時間，本公司各董事、彼等之聯繫人士或就董事會所知任何持有本公司已發行股本5%以上之股東概無擁有上述主要客戶及供應商任何權益（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。



CONNECTED TRANSACTIONS

On 24 November 2000, a new tenancy agreement was entered into between Wisdom Power Property Limited (“WPP”), a wholly-owned subsidiary of the Company, and China Everbright Holdings Company Limited (“CEH”), a substantial shareholder of the Company, under which WPP agreed to let and CEH agreed to take a portion (with saleable area of approximately 4,586 square feet) of the 39th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong at a monthly rental of HK\$200,000 (inclusive of management fee, insurance, government rent and rates) for a term of 1 year commencing on 28 November 2000, following on the expiry of a previous tenancy agreement between the same parties. Details of the lease were announced by way of a press announcement by the Company on 24 November 2000.

SIGNIFICANT TRANSACTIONS

- (a) On 15 January 2000, the Company entered into an agreement with an independent third party, GMAI-Asia.Com, Inc. (“GMAI-Asia”). Pursuant to the agreement, a 65% equity interest in Emmerdale Assets Limited (subsequently renamed as China Everbright Telecom-Land Network Limited, (“Telecom-Land Network”)), a subsidiary of the Company, would be sold at a consideration of RMB30 million. The consideration was satisfied by the allotment and issuance of 168,104 shares in the capital of Greg Manning Auctions, Inc (“GMAI”, a company listed on NASDAQ in USA and the holding company of GMAI-Asia) in equivalent value. Telecom-Land Network is engaged in the communication equipment distribution business. Upon the completion of the transaction, the Group’s interest in Telecom-Land Network was reduced from 75% to 35%. The attributable amount of such consideration to the Group is approximately HK\$17 million.

The transaction was announced by way of a press announcement by the Company on 17 January 2000.

The transaction was completed on 15 February 2000. The market value of GMAI was US\$21.6 per share at the date of completion. GMAI is a global e-Commerce company and Internet merchant with operations in Asia, Europe and North America.

關連交易

繼本公司全資附屬公司智力物業有限公司（「智力物業」）與本公司之主要股東中國光大集團有限公司（「光大集團」）簽訂之上一份租約協議屆滿後，上述雙方已於二零零零年十一月二十四日簽訂一項新租約協議；據此，智力物業同意向光大集團出租，而光大集團同意租用位於香港夏慤道16號遠東金融中心39樓部分（實用面積約4,586平方呎）面積，每月租金為200,000港元（包括管理費、保險、政府地租及差餉），租期由二零零零年十一月二十八日起計為期一年。本公司已於二零零零年十一月二十四日於報章公佈此項租約之詳情。

重要交易

- (a) 本公司於二零零零年一月十五日與獨立第三者GMAI-Asia.Com, Inc.（「GMAI-Asia」）簽訂一項協議。根據該協議，於Emmerdale Assets Limited（其後易名為中國光大通信天地網絡系統有限公司「通訊天地網絡」）的65%股本權益，將以人民幣30,000,000元之代價出售。該代價以Greg Manning Auctions, Inc.（「GMAI」，為一間在美國NASDAQ上市之公司，並為GMAI-Asia之控股公司）配發及發行同等價值之168,104股股份作抵償。通訊天地網絡從事通訊設備分銷業務。於交易完成後，本集團於通訊天地網絡之權益由75減至35%。本集團應佔該項代價之金額為約17,000,000港元。

本公司已於二零零零年一月十七日在報章上公佈該項交易。

該項交易已於二零零零年二月十五日完成。GMAI於完成日期之市值為每股21.6美元。GMAI為一間全球性之電子商貿公司及互聯網供應商，業務遍佈亞洲、歐洲及北美洲。

SIGNIFICANT TRANSACTIONS (continued)

- (b) On 9 February 2000, the Company entered into a subscription agreement with CEH. Pursuant to the agreement, Kenco Investments Limited, an indirectly wholly-owned subsidiary of CEH, subscribed for 74,000,000 new ordinary shares of the Company at a subscription price of HK\$1.51 per share. The subscription price represented a discount of approximately 11% to the closing price of HK\$1.68 per share on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) on 9 February 2000.

The subscription was completed in late February 2000. The net proceeds from the subscription amounted to approximately HK\$109 million, which were used for general working capital purposes.

- (c) On 5 June 2000, the Company entered into a sale and purchase agreement with Sinolink Technology Investment Inc. (“Sinolink”), an independent third party. Pursuant to the agreement, the Company agreed to sell the entire 100% equity interest in Goodnice International Limited (“Goodnice”) to Sinolink at a total consideration of HK\$140 million and the aggregate amounts of Goodnice’s audited net profits after tax for the three financial years of 1997, 1998 and 1999 of approximately HK\$54.7 million. This consideration will be settled by instalments and paid in full by the end of 2002. Goodnice is engaged in the sale and manufacture of computer keyboards. The transaction was completed in July 2000.

This transaction constituted a major transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 7 June 2000. Details of the transaction have been included in the circular to shareholders dated 28 June 2000.

ACCOUNTS

The profit and cash flow of the Group for the year ended 31 December 2000 and the state of the Company’s and the Group’s affairs as at that date are set out in the accounts on pages 29 to 77.

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2000.

重要交易 (續)

- (b) 於二零零零年二月九日，本公司與光大集團簽訂一項認購協議。根據此協議，光大集團之間接全資附屬公司 Kenco Investments Limited 已認購本公司 74,000,000 股新發行普通股，認購價為每股 1.51 港元。認購價較股份於二零零零年二月九日在香港聯合交易所有限公司（「聯交所」）之收市價每股 1.68 港元有 11% 折讓。

該項認購已於二零零零年二月下旬完成。認購所得款項淨額約為 109,000,000 港元，撥作一般營運資金。

- (c) 於二零零零年六月五日，本公司與獨立第三者 Sinolink Technology Investment Inc.（「Sinolink」）簽訂一項買賣協議。據此，本公司同意向 Sinolink 出售德麗國際有限公司（「德麗公司」）全部 100% 股本權益，總代價為 140,000,000 港元及德麗公司於一九九七年、一九九八年及一九九九年三個財政年度之經審核除稅後溢利淨額合共約 54,700,000 港元。代價將以分期付款方式支付，並將於二零零二年終全部繳足。德麗公司從事銷售及製造電腦鍵盤。該項交易於二零零零年七月完成。

是項交易構成上市規則所界定之主要交易，本公司已於二零零零年六月七日在報章上公佈有關詳情，並於二零零零年六月二十八日致股東之通函內載有詳情。

賬項

本集團截至二零零零年十二月三十一日止年度之溢利及現金流量，以及本公司及本集團於當日之財政狀況載於第 29 頁至第 77 頁之賬項內。

董事會並不建議派發截至二零零零年十二月三十一日止年度之末期股息。



FIXED ASSETS

Movements in fixed assets during the year are set out in note 13 on the accounts.

SHARE CAPITAL

Details of share capital of the Company are set out in note 24 on the accounts. Shares were issued during the year to broaden the capital base and to provide additional working capital for the Company.

RESERVES

The movements in the reserves of the Group and of the Company during the year are set out in note 26 on the accounts.

DIRECTORS

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

Executive directors:

Wang Mingquan, *Chairman*

(appointed on 15 June 2000)

Yi Zhenqiu, *Vice-chairman*

Wang Shaolan, *Chief Executive Officer*

(appointed on 9 June 2000)

Huang Shenglan, *General Manager*

(appointed on 9 June 2000)

Zang Qiutao

(appointed on 10 May 2000)

Kong Dan, *Chairman*

(resigned on 15 June 2000)

Chen Dagang, *Chief Executive Officer*

(resigned on 11 August 2000)

Wang Xiangfei

(resigned on 11 August 2000)

固定資產

固定資產於本年度之變動詳情載於賬項附註13。

股本

本公司股本之詳情載於賬項附註24。本公司於本年度內發行股份，以擴大大公司之資本基礎及提供額外營運資金。

儲備

本集團及本公司儲備於本年度之變動載於賬項附註26。

董事

以下為本年度內及截至本報告日止之董事：

執行董事：

王明權 (主席)

(於二零零零年六月十五日獲委任)

易振球 (副主席)

王少蘭 (行政總裁)

(於二零零零年六月九日獲委任)

黃勝藍 (總經理)

(於二零零零年六月九日獲委任)

臧秋濤

(於二零零零年五月十日獲委任)

孔丹 (主席)

(於二零零零年六月十五日辭任)

陳大剛 (行政總裁)

(於二零零零年八月十一日辭任)

王翔飛

(於二零零零年八月十一日辭任)

DIRECTORS (continued)**Non-executive directors:**

Werner Max Michael Makowski*

Yang Zheng Qing*

Wei Yu Chung

(retired on 26 June 2000)

* *Independent non-executive Director*

In accordance with Article 116 of the Company's Articles of Association, Messrs Yang Zheng Qing and Werner Max Michael Makowski retire from the board by rotation at the forthcoming annual general meeting and eligible for re-election.

The non-executive directors are subject to retirement in accordance with the Company's Articles of Association as indicated above.

DIRECTORS' SERVICE CONTRACTS

The non-executive directors were appointed by the board of directors in accordance with the Company's Articles of Association. Their remuneration is determined by the shareholders in the annual general meeting.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES

As at 31 December 2000, no directors nor chief executives of the Company had any beneficial interests in the issued share capital of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as recorded in the register required to be kept under section 29 of the Securities (Disclosure of Interests) Ordinance.

董事 (續)**非執行董事：**

麥高祺*

楊正清*

魏裕忠

(於二零零零年六月二十六日退任)

* *獨立非執行董事*

根據本公司之公司章程細則第116條之規定，楊正清先生及麥高祺先生將於應屆股東週年大會上任期屆滿，須依章輪值告退及可以膺選連任。

非執行董事須根據本公司上述之公司章程細則依章告退。

董事之服務合約

非執行董事由董事會根據本公司之公司章程細則委任。彼等之酬金由股東於股東週年大會上釐定。

於應屆股東週年大會上獲提名膺選連任之董事，並無與本公司或其任何附屬公司訂立於一年內終止而必須賠償（一般法定責任除外）之未屆滿服務合約。

董事及主要行政人員之股份權益

於二零零零年十二月三十一日，根據本公司遵照證券（披露權益）條例（「披露權益條例」）第29條規定須予存置之股東名冊所載，概無任何董事或主要行政人員於本公司、其控股公司、附屬公司及其他相聯法團（定義見披露權益條例）之已發行股本中持有任何實益權益。


DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES (continued)
Arrangement to purchase shares or debentures

The Company has a share option scheme adopted on 20 November 1991 whereby the directors of the Company, at their discretion, are authorised to invite employees of any member of the Group, including directors of any member of the Group, to take up options to subscribe for shares not exceeding 10 per cent of the issued share capital of the Company.

At 31 December 2000, the following directors of the Company had personal interests in options to subscribe for shares of the Company (market value per share is HK\$0.415 at the balance sheet date) granted under this scheme:

		Number of options outstanding as at 1 January 2000 於二零零零年 一月一日 之尚未行使 優先認購股份權	Cancelled during the year 於年內注銷	Number of options outstanding as at 31 December 2000 於二零零零年 十二月三十一日 之尚未行使 優先認購股份權
Yi Zhenqiu	易振球	18,000,000	-	18,000,000
Kong Dan	孔丹	25,000,000	(25,000,000)	-
Wang Xiangfei	王翔飛	15,000,000	(15,000,000)	-

Each option gives the holder the right to subscribe for one share.

The above options to subscribe for shares of the Company were granted on 11 August 1997 and the options are exercisable during the period which is 6 months after the date of grant of the options and before 30 June 2001. The consideration paid by each director for the options granted was HK\$1. The exercise price per share to be paid on exercise of the options is HK\$2.796. No option was granted to or exercised by any director of the Company during the year.

董事及主要行政人員之股份權益 (續)
購買股份或債券之安排

本公司於一九九一年十一月二十日採納一項優先認購股份權計劃；藉此授權本公司董事酌情邀請本集團任何成員公司之僱員（包括本集團任何成員公司之董事）接納優先認購股份權，以便認購不超過本公司已發行股本10%之股份。

於二零零零年十二月三十一日，下列本公司董事於根據該計劃授予彼等優先認購本公司股份（於結算日之每股市值為0.415港元）之優先認購股份權中，擁有下列個人權益：

每個單位之優先認購股份權均賦予其持有人可認購一股股份之權利。

上述可認購本公司股份之優先認購股份權乃於一九九七年八月十一日授出。該等優先認購股份權可於授出日期後六個月起至二零零一年六月三十日止期間內行使。獲授優先認購股份權之個別董事已支付1港元之代價。行使該等優先認購股份權時應付之每股行使價為2.796港元。於本年度內，並無任何本公司董事獲授予或行使優先認購股份權。

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES (continued)**Arrangement to purchase shares or debentures (continued)**

Apart from the share option scheme of the Company adopted on 20 November 1991 aforesaid, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTOR'S INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

No connected transaction or contract of significance to which the company, any of its subsidiaries or fellow subsidiaries was a party, 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.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2000, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, the following company had an interest of 10% or more on the issued ordinary shares of the Company.

Name 名稱	Number of shares held 持有股份 數目	Percentage of total issued shares 佔已發行股份 總數百分比
CEH 光大集團	625,393,515 (note) (附註)	40.08%

Note: The 625,393,515 shares are beneficially held by CEH which comprise 625,369,515 shares and 24,000 shares held by Kenco Investments Limited and Everbright Investment & Management Limited respectively, both of which are indirect or direct wholly-owned subsidiaries of CEH.

董事及主要行政人員之股份權益 (續)**購買股份或債券之安排 (續)**

除本公司於一九九一年十一月二十日採納之優先認購股份權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無訂立任何安排，令其董事、主要行政人員或任何彼等之配偶或未滿18歲子女可透過購入本公司或任何其他法人團體之股份或債券而獲取利益。

董事於重大合約及關連交易中之權益

本公司董事概無於本公司、其任何附屬公司或聯屬公司參與訂立，並於年終或本年度任何時間內仍然生效之關連交易或重大合約中直接或間接擁有任何重大權益。

本公司股本中之主要權益

於二零零零年十二月三十一日，根據本公司遵照披露權益條例第16(1)條所存置之主要股東名冊顯示，下列公司持有本公司已發行普通股10%或以上權益。

附註： 光大集團實益擁有625,393,515股股份之權益。Kenco Investments Limited持有其中625,369,515股股份及光大投資管理有限公司持有其中24,000股股份。該兩間公司為光大集團間接或直接持有之全資附屬公司。


SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY (continued)

Save for the shares referred to above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 December 2000.

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Subsequent to 31 December 2000, the Company repurchased its own shares on the Stock Exchange as follows:

本公司股本中之主要權益 (續)

除上文所述股份外，於二零零零年十二月三十一日，本公司並無得悉任何其他人士持有本公司已發行股本10%或以上權益。

購回、出售或贖回本公司之上市證券

於本年度內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

於二零零零年十二月三十一日以後，本公司於香港聯交所購回其本身之股份如下：

Month/year 月份／年份		Number of shares repurchased 購回之股份 數目	Highest price paid per share 支付之每股 最高股價 HK\$ 港元	Lowest price paid per share 支付之每股 最低股價 HK\$ 港元	Aggregate price paid 支付之 價格總額 HK\$ 港元
January 2001	二零零一年一月	3,100,000	0.40	0.39	1,237,370
March 2001	二零零一年三月	1,990,000	0.40	0.40	796,000
					<u>2,033,370</u>

BANK LOANS

Particulars of bank loans of the Company and the Group as at 31 December 2000 are set out in note 22 on the accounts.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial year/period is set out on pages 78 and 79 of the annual report.

銀行貸款

本公司及本集團於二零零零年十二月三十一日之銀行貸款詳情載於賬項附註22。

五年財務資料摘要

本集團於過去五個財政年度／期間之業績與資產及負債摘要載於本年報第78頁及第79頁。

PROPERTIES

Particulars of the major properties of the Group are shown on page 80 of the annual report.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under Companies Law in the Cayman Islands.

RETIREMENT SCHEMES

The Group provides retirement benefits to all local eligible employees under an approved defined contribution provident fund ("the ORSO Scheme"). The ORSO Scheme is administered by independent trustees with its assets held separately from those of the Group. The ORSO Scheme is funded by contributions from employees and employers respectively at a rate of 5%, based on the monthly salary payments of employees. The unvested benefit of the employer's contribution, that is, the forfeited contributions can be utilised to reduce future contributions of the employers.

On 1 December 2000, the Group established Mandatory Provident Fund Scheme ("the MPF Scheme") for employees not previously covered by the ORSO Scheme. Contributions to the MPF Scheme are based on 5% of the relevant income of the relevant staff and in accordance with the requirement of Mandatory Provident Fund Schemes Ordinance and related guidelines. Members of the ORSO Scheme, were given an option to join the MPF Scheme or to stay in the ORSO Scheme. All the existing ORSO Scheme members elected to stay in the ORSO Scheme.

The employees of the subsidiaries in the PRC are members of the Central Pensions Scheme operated by local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to the Central Pensions Scheme to fund the benefits. The only obligation of the Group with respect to the Central Pensions Scheme is the required contributions under the Central Pensions Scheme.

物業

本集團主要物業詳情載於本年報第80頁。

優先購買權

雖然開曼群島公司法並無訂明有關優先購買權之限制，本公司之公司章程細則對該項權利亦無訂立任何規定。

退休計劃

本集團為本地所有合資格僱員設立經批准的定額供款公積金（「該職業退休計劃」）。該職業退休計劃之資產由獨立信託人管理，並與本集團之資產分開持有。該職業退休計劃由僱主及僱員根據僱員月薪的5%分別供款。不發放之僱主供款部分（即沒收之供款）可用作扣減僱主日後之供款。

於二零零零年十二月一日，本集團為先前未包括在本集團之職業退休計劃內的僱員成立強制性公積金計劃（「強積金計劃」）。強積金計劃供款乃按有關僱員之有關入息的5%為基準，並遵照強制性公積金計劃條例及有關守則。該職業退休計劃成員已獲授選擇權選擇加入強積金計劃或保留於職業退休計劃中。所有職業退休計劃成員均選擇保留於職業退休計劃之中。

國內附屬公司之僱員均參加由當地機關設立之中央公積金計劃。附屬公司須按有關規定以員工薪金之若干百分比向中央公積金供款。本集團之唯一責任，僅為根據中央公積金計劃之規定為中央公積金供款。

**RETIREMENT SCHEMES (continued)**

The Group's total contributions to these schemes charged to the profit and loss account during the year ended 31 December 2000 amounted to approximately HK\$1,100,000 (1999: HK\$2,100,000).

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 of the Listing Rules except that non-executive directors are not appointed for a specific term as they are subject to retirement in accordance with the Company's Articles of Association.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board

Wang Shaolan

Director and Chief Executive Officer

Hong Kong, 23 April 2001

退休金計劃 (續)

截至二零零零年十二月三十一日止年度，本集團計入損益表之總供款額約達1,100,000港元（一九九九年：2,100,000港元）。

遵守最佳應用守則

除本公司之非執行董事並無指定之委任年期，而需根據本公司之公司章程細則依章告退外，本公司於本年度內均遵守聯交所上市規則附錄14所載之最佳應用守則。

核數師

畢馬威會計師事務所任滿告退，惟彼等已表示願意接受續聘。在本公司之應屆股東週年大會上將提呈一項決議案，續聘畢馬威會計師事務所為本公司之核數師。

承董事會命

王少蘭

董事兼行政總裁

香港，二零零一年四月二十三日