



*I am pleased to present the first annual report of Karl Thomson Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) since the listing of the Company’s shares on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 September 2000.*

## PERFORMANCE HIGHLIGHTS

Our first year as a listed company was a challenging one. During the year under review, despite the fact that the Hang Seng Index had fallen by almost 26.85%, capitalising on our concrete foundations, our Group outperformed the market. During the year under review, the Group achieved a total turnover of HK\$43,235,000, representing a decrease by approximately 32.65% whereas net profit was HK\$34,116,000, representing a decrease of 19.94% as compared with year 2000.

## PUBLIC OFFER AND PLACING

The Group is principally engaged in the provision of securities broking, futures and options broking, and securities margin financing services. The Company’s shares were successfully listed on the main board of the Stock Exchange on 8 September 2000 under the stock code 7. A total of 52,500,000 new ordinary shares were issued to the public and net proceeds of approximately HK\$63,000,000 were raised.

## NEW MEMBERS OF THE BOARD

In 2000, Messrs. Ng Chi Kin, David and Chen Wei-Ming, Eric joined the Company’s Board of Directors (the “Board”) as independent non-executive Directors. The addition of Messrs. Ng and Chen provides an excellent mix of extensive experience and professional knowledge. On behalf of the Board, I warmly welcome these two new Directors.

## FUTURE PLANS AND DEVELOPMENT

With well-managed control systems and a solid financial position, the Group is ready to actively undertake expansionary and diversification moves in its ultimate goal of becoming a global company.

The Group sees that the way forward is twofold:

- 1) Online Financial Products - The Group will be developing and introducing all-rounded online financial products including online securities trading and fund management products to be marketed via the online securities trading platform.
- 2) E-Marketing and Internet Security - The Group will be expanding into the provision of e-marketing and internet security as it sees that growth in the Internet will come from these two areas.

As global status is not achieved overnight, the Group has a long term, step by step plan. The focus of the Group in the next two years will be to build up its “Asian Value”. By that, I intend that the Group will first widen its focus and marketing efforts to encompass the Greater China region and the Asian region. As there are still room for improvements in the level of technological development in Asia, the Group will be looking forward to proven internet technologies, e-marketing models and financial products from the more technically advanced countries.

In return, the Group will act as a marketing gateway to Asia for any future European or American partners, creating a synergistic way to propel the Group forward along the path to its globalisation goals. We expect future expansion for the Group to be by way of acquisitions, partnerships, or joint-ventures with other successful and proven corporations in these areas.

## APPRECIATION

On behalf of the Board, I am pleased to extend our gratitude and sincere appreciation to all management and staff members for their hard work and dedication and the Company’s shareholders for their support.

On behalf of the Board

**LAM KWOK HING**

*Chairman*

Hong Kong, 20 July 2001