

董事會現提呈香港藥業集團有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零二年三月三十一日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務詳情載於財務報表附註16內。除了收購和建立藥業產品分銷網絡，及轉基因藥物及其他生物制品之研發、生產及銷售，本集團之主要業務於本年度並無重大變動。

分類資料

本集團截至二零零二年三月三十一日止年度按主要業務及經營地區劃分之營業額及業務貢獻之分析載於財務報表附註4。

業績及股息

本集團於二零零二年三月三十一日止年度之虧損及本公司與本集團於該日之業務狀況載於第29至98頁之財務報表。

董事不建議於年內派發任何股息。

財務資料摘要

摘錄自經審核財務報表，並已適當地分類之過去五個財務年度本集團之業績公佈及資產與負債摘要載於第101頁。該摘要並非經審核財務報表之一部份。

The directors present their report and the audited financial statements of Hong Kong Pharmaceutical Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 16 to the financial statements. Other than the acquisition and establishment of the business for a pharmaceutical products distribution network, and the research, production and sale of transgenic drugs and other biological products, there were no significant changes in the nature of the Group’s principal activities during the year.

SEGMENT INFORMATION

An analysis of the Group’s turnover and contribution to results by principal activity and geographical area of operations for the year ended 31 March 2002 is set out in note 4 to the financial statements.

RESULTS AND DIVIDENDS

The Group’s loss for the year ended 31 March 2002 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 29 to 98.

The directors do not recommend the payment of any dividend for the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and 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 on page 101. This summary does not form part of the audited financial statements.

固定資產及投資物業

於年內本公司及本集團之固定資產及投資物業之變動詳情載於財務報表附註13。本集團投資物業之詳情載於第99及100頁。

股本及購股權

本公司於年內之股本及購股權變動詳情及其原因載於財務報表附註29。

優先認股權

本公司之公司細則及百慕達法例中均無有關優先認股權之條款、規定本公司須按比例向現有股東發行新股。

購買、贖回或出售本公司上市證券

除按本公司當時之債權人行使債權人可換股票據而於二零零一年四月以每股0.10港元發行130,000,000股新股外，本公司或其附屬公司並無於年內購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團於年內之儲備變動詳情載於財務報表附註30。

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Company and the Group during the year are set out in note 13 to the financial statements. Further details of the Group's investment properties are set out on pages 99 and 100.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in note 29 to the financial statements.

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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Other than the issue of 130,000,000 new shares at the price of HK\$0.10 per share in April 2001 pursuant to the conversion of the creditor convertible note by the then creditor of the Company, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

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

可分派儲備

於二零零二年三月三十一日，根據百慕達一九八一年公司法（經修訂）之條款計算本公司並無儲備供現金分派及／或資產分派。

此外，本公司之股份溢價賬約為140,382,000港元，可以繳足紅股之方式作分派。

主要客戶及供應商

於回顧年度，本集團五大客戶之營業額佔年內總營業額少於30%。

本集團五大供應商之採購額佔年內總採購額44%，其中最大供應商佔12%。

本公司各董事，彼等之聯繫人士或任何股東（根據董事所知擁有本公司已發行股本5%以上者）概無擁有本集團五大供應商任何實益權益。

董事

本公司於年內之董事如下：

執行董事

孫曉路先生
黃淑云女士
朱均先生
趙大可先生

獨立非執行董事

吳永鏗先生
彭澤棠先生

DISTRIBUTABLE RESERVES

At 31 March 2002, the Company had no reserves available for cash distribution and/or distribution in specie calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended).

In addition, the Company's share premium account, in the amount of approximately HK\$140,382,000, may be distributed in the form of fully paid bonus shares.

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 44% of the total purchases for the year and purchases from the largest supplier included therein amounted to 12%.

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 suppliers.

DIRECTORS

The directors of the Company during the year were:

Executive directors

Mr. Sun Hiu Lu
Ms. Huang Shuyun
Mr. Chu Kwan
Mr. Zhao Dake

Independent non-executive directors

Mr. Ng Wing Hang
Mr. Pang Chak Tong, Laurence

董事 (續)

根據本公司之公司細則第87條，吳永鏗先生於即將舉行之股東週年大會輪值退任，惟彼願膺選連任。

獨立非執行董事並無固定任期，惟跟執行董事一樣須根據本公司之公司細則規定退任。

董事、高級管理人員及顧問履歷

本公司之董事、本集團之高級管理人員及顧問之履歷載於年報第9至13頁。

董事服務合約

擬在即將舉行之股東週年大會膺選連任之董事，概無與本公司訂立本公司須作補償(法定賠償除外)方可於一年內終止之服務合約。

董事於合約之權益

各董事並無在本公司、其控股公司、或任何附屬公司或同集團附屬公司訂立，且與本集團業務有關之重大合約中，擁有任何重大權益。

DIRECTORS (continued)

In accordance with article 87 of the Company's bye-laws, Mr. Ng Wing Hang will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The independent non-executive directors do not have specific terms of appointment but are subject to retirement on the same basis as the executive directors as required by the Company's bye-laws.

DIRECTORS', SENIOR MANAGEMENT'S AND CONSULTANTS' BIOGRAPHIES

Biographical details of the directors of the Company, the senior management and consultants of the Group are set out on pages 9 to 13 of the annual report.

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 of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

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

董事於股份之權益

於二零零二年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記名冊，董事於本公司或其聯營公司股本中擁有之權益如下：

本公司之普通股

董事姓名	Name of director	權益性質 Nature of interest	股份數目 Number of shares
孫曉路先生	Mr. Sun Hiu Lu	附註 Note 公司 Corporate	943,400,000
朱均先生	Mr. Chu Kwan	附註 Note 公司 Corporate	943,400,000

董事於本公司購股權之權益另外載於下文「購股權計劃」一節內。

附註：Hong Tau Investment Ltd. (「Hong Tau」) 透過其全資附屬公司Victory Hunter Holdings Limited (「Victory Hunter」) (其持有23,400,000股股份)、Wai Fat International Limited (「Wai Fat」) (其持有130,000,000股股份) 及Tin Ming Management Limited (「Tin Ming」) (其持有790,000,000股股份) 合共持有943,400,000股本公司股份。

Hong Tau的51%權益由Welcome Success Worldwide Ltd. (「Welcome Success」) (本公司二位董事，孫曉路先生及朱均先生分別持有其50%權益) 持有，49%權益由濱港財務有限公司(「濱港」) 持有。黑龍江經濟開發集團公司(「黑龍江」) 持有濱港80%權益。

DIRECTORS' INTERESTS IN SHARES

At 31 March 2002, 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:

Ordinary shares of the Company

The interests of the directors in the share options of the Company are separately disclosed in the section “Share option scheme” below.

Note: Hong Tau Investment Ltd. (“Hong Tau”), through its wholly-owned subsidiaries, Victory Hunter Holdings Limited (“Victory Hunter”) (which holds 23,400,000 shares), Wai Fat International Limited (“Wai Fat”) (which holds 130,000,000 shares) and Tin Ming Management Limited (“Tin Ming”) (which holds 790,000,000 shares) holds an aggregate number of 943,400,000 shares of the Company.

Hong Tau is owned as to 51% by Welcome Success Worldwide Ltd. (“Welcome Success”) (which is owned equally as to 50% by each of two directors of the Company, Mr. Sun Hiu Lu and Mr. Chu Kwan), and as to 49% by H.H.K. Finance Company Limited (“HHK”). Heilongjiang Economic Development Corp. (“Heilongjiang”) owns 80% interest in HHK.

董事於股份之權益 (續)

因此，Hong Tau、Welcome Success、孫曉路先生、朱均先生、濱港及黑龍江分別被視為擁有Victory Hunter、Wai Fat及Tin Ming合共所持之943,400,000股本公司股份。

除上文所披露者外，各董事或其聯繫人士於本公司或其任何聯營公司(定義見披露權益條例)之發行股本中並無擁有任何個人、家族、公司或其他權益。

董事購買股份之權利

除上文「董事於股份之權益」及下文「購股權計劃」所披露者外，於年內任何時間，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出權利，可藉購買本公司股份或債券而獲益，彼等亦無行使任何該等權利；而本公司、其控股公司、或其任何附屬公司或同集團附屬公司亦概無訂立任何安排使董事於任何其他法人團體中取得該等權利。

購股權計劃

本公司設立購股權計劃為曾對本集團業務之成就有所貢獻之合資格參與人士給予獎勵及獎賞。本公司過往採納之購股權計劃(「原有計劃」)已根據其條款於二零零一年十一月五日屆滿。

DIRECTORS' INTERESTS IN SHARES

(continued)

Accordingly, each of Hong Tau, Welcome Success, Mr. Sun Hiu Lu, Mr. Chu Kwan, HHK and Heilongjiang is deemed to be interested in the aggregate number of 943,400,000 shares of the Company held by Victory Hunter, Wai Fat and Tin Ming.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the issued share capital of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' interests in shares" above and "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The share option scheme previously adopted by the Company (the "Old Scheme") expired on 5 November 2001 in accordance with the terms of the Old Scheme.

購股權計劃 (續)

本公司於二零零一年九月二十五日(「採納日」)舉行之股東週年大會上，批准及採納新購股權計劃(「新計劃」)，新計劃於二零零一年十一月六日生效，除非遭註銷及修訂，其有效期由該日起計十年有效。新計劃之合資格參與人士包括符合新計劃之規則內指定的篩選準則的本集團任何執行董事、非執行董事、僱員、代理、顧問或代表。

根據新計劃而可授出之購股權有關之股份數目(與本公司任何其他購股權計劃有關股份數目合計)將不超過本公司於採納日已發行股份10%。於二零零二年三月三十一日，根據原有計劃及新計劃授出之購股權(包括於二零零二年三月三十一日之後才可行使之購股權)而發行之股份及可予發行之股份總數為119,960,000，約佔採納日本公司已發行股份之8.67%。於任何十二個月內按行使購股權(不論已行使或尚未行使)而向合資格人士發行或須予發行之股份總數不得超過本公司不時已發行股份之1%。任何進一步授出之購股權超過上述限額則須於股東大會上取得股東批准。

SHARE OPTION SCHEME (continued)

At the Company's annual general meeting held on 25 September 2001 (the "Adoption Date"), a new share option scheme (the "New Scheme") was approved and adopted and became effective on 6 November 2001 and, unless otherwise cancelled and amended, will remain in force for 10 years from that date. Eligible participants of the New Scheme include any executive director, non-executive director, employee, agent, consultant or representative of the Group who satisfies the selection criteria prescribed by the rules of the New Scheme.

The maximum number of shares in respect of which options may be granted under the New Scheme (when aggregated with shares subject to any other share option scheme of the Company) shall not exceed 10% of the shares of the Company in issue as at the Adoption Date. At 31 March 2002, the total number of shares issued and issuable under share options granted (including those options which can only be exercised after 31 March 2002) under the Old Scheme and the New Scheme was 119,960,000, which represented approximately 8.67% of the Company's shares in issue as at the Adoption Date. The total number of shares issued and to be issued upon exercise of the options (whether exercised or outstanding) in any 12-month period granted to each eligible participant must not exceed 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

購股權計劃 (續)

凡向董事、行政總裁或本公司之主要股東或任何彼等各自之聯繫人士授出購股權均須事先取得獨立非執行董事之批准。此外，於任何十二個月內授予主要股東或本公司之獨立非執行董事，或彼等各自之聯繫人士之任何購股權超過本公司當時之已發行股份之0.1%或總價值超過5,000,000港元(按授出該日本公司股份在香港聯交所收市價為基準)則須事先於股東大會上取得股東批准。

提呈授出之購股權可於提呈日期起計二十八日內接納，而承授人於接納時並須支付1港元之象徵式代價。董事有權決定授予購股權之持有人於某期間內須認購股份，而該期間由發行該購股權之日期起計不得多於十年。

購股權之行使價由董事釐定，惟不得低於以下兩項較高者；(i)於授出購股權當日股份在香港聯交所之收市價；及(ii)於緊接授出購股權日期前五個交易日股份在香港聯交所之平均收市價。

SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company then in issue or with an aggregate value (based on the Hong Kong Stock Exchange closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. Options granted will entitle the holders to subscribe for shares during such period as may be determined by the directors, which shall not be more than 10 years from the date of issue of the relevant options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Hong Kong Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (ii) the average Hong Kong Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

購股權計劃 (續)

根據新計劃授出而於年內仍未行使之購股權如下：

參予者 類別 或名字	Name or category of participant	購股權數目 Number of share options			購股權 授出日期*	購股權 行使期	購股權 行使價** Exercise price of share options** 港元 HK\$	本公司於授出 購股權日之股價*** Price of Company's shares at grant date of options*** 港元 HK\$
		於二零零一年 四月一日 At 1 April 2001	年內授出 Granted during the year	於二零零二年 三月三十一日 At 31 March 2002				
董事	Directors							
黃淑云女士	Ms. Huang Shuyun	25,000,000	—	25,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81
		2,000,000	—	2,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61
		27,000,000	—	27,000,000				
朱 均先生	Mr. Chu Kwan	25,200,000	—	25,200,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81
		1,000,000	—	1,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61
		26,200,000	—	26,200,000				
孫曉路先生	Mr. Sun Hiu Lu	27,000,000	—	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81
趙大可先生	Mr. Zhao Dake	27,000,000	—	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81
其他僱員	Other employees							
總額	In aggregate	1,700,000	—	1,700,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81
		40,000	—	40,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61
		—	3,000,000	3,000,000	10-7-2001	10-7-2001 to 9-7-2011	1.000	1.20
		—	2,000,000	2,000,000	9-11-2001	9-11-2001 to 8-11-2011	1.060	1.06
		—	2,700,000	2,700,000	22-2-2002	22-2-2002 to 21-2-2012	0.880	0.88
		—	1,500,000	1,500,000	22-2-2002	22-2-2004 to 21-2-2012	0.880	0.88
		—	1,500,000	1,500,000	22-2-2002	22-2-2005 to 21-2-2012	0.880	0.88
		1,740,000	10,700,000	12,440,000				
		108,940,000	10,700,000	119,640,000				

* 購股權之歸屬期由授出日期起直至行使期開始當日止。

** 購股權之行使價或會因應供股或發行紅股，或本公司股本有其他類似變動時須予調整。

*** 於授出購股權當日所披露之本公司股份價格乃股份於授出購股權當日前一個交易日在香港聯交所之收市價。

SHARE OPTION SCHEME (continued)

The following share options were outstanding under the New Scheme during the year:

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

*** The price of the Company's shares disclosed as at the date of the grant of the share options is the Hong Kong Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.

購股權計劃 (續)

本公司購股權計劃之詳情摘要載於財務報表附註29。

直至購股權行使前，授出購股權所引致之財務影響並不會在本公司或本集團之資產負債表呈列。授出購股權之成本亦無計入損益表或資產負債表。因行使購股權而發行之股份會按股份面值列作本公司之額外股本，而每股行使價高於股份面值之差額則計入本公司之股份溢價賬。於行使前已註銷之購股權會自尚未行使之購股權名冊內刪除。

董事會認為並不適合就年內授予員工之購股權披露理論化價值，因為其中涉及的估值因素不能確定。因此，任何假設皆不含真實意義及引致誤導本公司之股東。

SHARE OPTION SCHEME (continued)

Summary details of the Company's share option scheme are also set out in note 29 to the financial statements.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date are deleted from the register of outstanding options.

The directors do not consider it appropriate to disclose a theoretical value of the share options granted during the year to employees, because a number of factors crucial for the valuation cannot be determined. Accordingly, any valuation of the options based on various speculative assumptions would not be meaningful, and would be misleading to the shareholders of the Company.

主要股東

於二零零二年三月三十一日，根據披露權益條例第16(1)條本公司須予存置之權益登記冊所記錄，下列股東持有本公司10%或以上之股本：

股東名稱 Name of shareholder		所持股份數目 Number of shares held		佔本公司 股本之百分比 Percentage of the Company's share capital
		直接權益 Direct interest	認算權益 Deemed interest	
Hong Tau	附註 Note	—	943,400,000	68
Tin Ming	附註 Note	790,000,000	—	57

附註：Hong Tau透過其全資附屬公司Victory Hunter (其持有23,400,000股股份)，Wai Fat (其持有130,000,000股股份) 及Tin Ming (其持有790,000,000股股份) 合共持有943,400,000股本公司股份。

Hong Tau的51%權益由Welcome Success (本公司二位董事，孫曉路先生及朱均先生分別持有其50%權益) 持有，49%權益由濱港持有。黑龍江持有濱港80%權益。

因此，Hong Tau、Welcome Success、孫曉路先生、朱均先生、濱港及黑龍江分別被視為持有Victory Hunter，Wai Fat及Tin Ming合共所持之943,400,000股本公司股份。

除本文披露者外，並無任何人士 (其權益已於上文「董事於股份之權益」一節載列之本公司董事除外) 於本公司股本中持有須根據公開權益條例第16(1)條之規定予以登記之權益。

SUBSTANTIAL SHAREHOLDERS

At 31 March 2002, 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:

Note: Hong Tau, through its wholly-owned subsidiaries, Victory Hunter (which holds 23,400,000 shares), Wai Fat (which holds 130,000,000 shares) and Tin Ming (which holds 790,000,000 shares) holds an aggregate number of 943,400,000 shares of the Company.

Hong Tau is owned as to 51% by Welcome Success (which is owned equally as to 50% by each of two directors of the Company, Mr. Sun Hiu Lu and Mr. Chu Kwan), and as to 49% by HHK. Heilongjiang owns 80% interest in HHK.

Accordingly, each of Hong Tau, Welcome Success, Mr. Sun Hiu Lu, Mr. Chu Kwan, HHK and Heilongjiang is deemed to be interested in the aggregate number of 943,400,000 shares of the Company held by Victory Hunter, Wai Fat and Tin Ming.

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 pursuant to Section 16(1) of the SDI Ordinance.

給予一間公司之貸款

於二零零二年三月三十一日，本集團借予華財集團(控股)有限公司某些附屬公司(「債務人」)之貸款合共約為77,600,000港元連同其應計利息約6,262,000港元。該項貸款並無抵押，按年息12厘或港元最優惠利率加3厘計算，並從一九九八年十二月／一九九九年一月逾期未還。本集團已於二零零零年十月向債務人發出傳訊令狀，於二零零零年十一月債務人被判敗訴，據此，債務人被頒令需支付合共約103,034,000港元連同利息予本集團，本集團已就全部貸款及其應收利息於一九九九年三月三十一日作全數撥備。截至批准本財務報告當日止，債務人尚未償還欠款。

控股股東抵押之本公司股份

於二零零零年二月二十九日，一家銀行(「該銀行」)與本公司訂立重組協議，據此，(其中包括)該銀行同意授予本集團一筆定期貸款額，本金總額約為46,000,000港元。作為重組安排之一部分，該銀行於二零零零年三月二十九日與Tin Ming, Hong Tau之全資附屬公司，訂立貸款協議(「貸款協議」)。該重組安排另外規定，倘Tin Ming於本公司之持股量(根據貸款協議抵押予該銀行作為抵押品)降低於本公司已發行股份總數之51%，則將視為已發生違約事件。在此情況下，該銀行可宣佈根據本公司與該銀行簽訂之任何重組文件(「重組文件」)之任何應付款項已即時到期並須予支付，而該等款項須根據此即時到期支付。根據重組文件，於二零零零年四月二十七日之貸款總額約為46,000,000港元。根據重組文件，貸款年期最長為六年。

ADVANCE TO AN ENTITY

As at 31 March 2002, the Group has advanced an aggregate sum of approximately HK\$77,600,000 plus accrued interest thereon of approximately HK\$6,262,000 to certain subsidiaries of Golden Sino (Holdings) Limited (the “Debtors”). The advances are unsecured, and bear interest at 12% per annum or at Hong Kong dollar prime rate plus 3% per annum and have been overdue since December 1998/January 1999. The Group had issued writs of summons to the Debtors in October 2000 and in November 2000, judgements were delivered against the Debtors under which the Debtors were ordered to pay to the Group the sum of approximately HK\$103,034,000 plus interest thereon. The Group made full provision against the entire loan and interest receivable thereon in the year ended 31 March 1999. As at the date of the approval of the financial statements, the amounts due from the Debtors remained outstanding.

PLEDGE OF SHARES OF THE COMPANY BY THE CONTROLLING SHAREHOLDER

On 29 February 2000, a bank (the “Bank”) entered into a restructuring agreement with the Company under which, among other things, the Bank agreed to grant a term loan facility of an aggregate principal amount of approximately HK\$46,000,000 to the Group. As part and partial of the restructuring arrangement, the Bank entered into a loan agreement with Tin Ming, a wholly-owned subsidiary of Hong Tau, on 29 March 2000 (the “Loan Agreement”). The restructuring agreement further provides that if Tin Ming’s shareholdings in the Company that are charged to the Bank as security under the Loan Agreement fall below 51% of the total issued shares of the Company, an event of default will be deemed to have arisen. In such an event, the Bank may declare any sums payable under any of the restructuring documents between the Company and the Bank (the “Restructuring Documents”) to have become immediately due and payable, whereupon the same shall become immediately due and payable. The aggregate level of facilities under the Restructuring Documents as at 27 April 2000 is approximately HK\$46,000,000. The maximum life of the facilities under the Restructuring Documents is 6 years.

最佳應用守則

董事認為，本公司年報所述會計年度一直遵守香港聯合交易所有限公司上市規則附錄14所載之最佳應用守則（「守則」）。惟本公司之獨立非執行董事並無根據守則第7段之規定訂立指定任期，而須根據本公司之公司細則於本公司之股東週年大會上輪值告退及重選。

審核委員會

本公司已按守則之規定成立審核委員會，目的為審查及監察本集團之財務匯報程序及內部監控運作。該審核委員會由本公司兩名獨立非執行董事組成。

核數師

安永會計師事務所任滿告退，因此，於即將舉行之股東週年大會上將提呈決議案，續聘其為本公司之核數師。

承董事會命

副主席兼行政總裁

黃淑云

香港

二零零二年七月二十四日

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company’s bye-laws.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audit committee comprises two independent non-executive directors of the Company.

AUDITORS

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

On behalf of the Board of Directors

Huang Shuyun

Deputy Chairman and Managing Director

Hong Kong

24 July 2002