

The Directors present their report and the audited financial statements of the Company for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

During the year, the Company was an investment holding company and its subsidiaries were engaged in the business of property development and investment.

An agreement (the "Restructuring Agreement") for the financial restructuring of the Group was entered into on 11th April, 2000 with Chinese Estates Holdings Limited ("Chinese Estates") and its subsidiary, Billion Up Limited ("Billion Up"). Following the completion of the Restructuring Agreement (as supplemented) on 20th November, 2000, Billion Up became the new controlling shareholder of the Group. The financial restructuring involved a capital reduction, the restructuring of the Group's indebtedness through a scheme of arrangement sanctioned by the High Court of the Hong Kong Special Administrative Region (the "Scheme") and the injection by Billion Up of HK\$265 million of new equity capital in the form of cash and development and investment properties in Hong Kong, and an interest-free shareholder's loan.

SEGMENTAL INFORMATION

The Group's turnover and contribution to loss from operations for the year ended 31st December, 2000, analysed by principal activities, are set out in the note 5 to the financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st December, 2000 are set out in note 49 to the financial statements.

RESULTS

The results of the Group for the year ended 31st December, 2000 are set out in the consolidated income statement on page 34.

DIVIDENDS

No interim dividend was paid for the year (1999: Nil). The Board has resolved not to recommend the payment of any final dividend for the year ended 31st December, 2000 (1999: Nil).

本董事會謹提呈本公司截至二零零零年十二月三十一日止年度之董事會報告書及經審核財務報表。

主要業務

於本年度內，本公司為投資控股公司，而其附屬公司則從事物業發展及投資之業務。

本集團與Chinese Estates Holdings Limited (「華人置業」)及其附屬公司Billion Up Limited (「Billion Up」)於二零零零年四月十一日就財務重組訂立一項協議(「重組協議」)。自重組協議(經補充)於二零零零年十一月二十日完成後，Billion Up成為本集團之新控股股東。財務重組涉及削減股本、透過香港特別行政區高等法院批准之債務償還安排計劃(「債務償還安排」)重組本集團債務，以及Billion Up透過以現金及於香港之發展及投資物業注入合共265,000,000港元之新股本及免息股東貸款。

分類資料

本集團截至二零零零年十二月三十一日止年度按主要業務劃分之營業額及經營虧損載於財務報表附註5內。

附屬公司

本公司於二零零零年十二月三十一日之主要附屬公司之詳情載於財務報表附註49內。

業績

本集團截至二零零零年十二月三十一日止年度之業績載於第34頁之綜合收益表。

股息

本年度並無派付中期股息(一九九九年：無)。董事會已決議不建議派付截至二零零零年十二月三十一日止年度之任何末期股息(一九九九年：無)。

董事會報告書

FIXED ASSETS

All of the Group's investment properties were revalued at 31st December, 2000.

Details of these and other movements in the fixed assets of the Group are set out in notes 19 and 20 to the financial statements.

PRINCIPAL PROPERTIES

During the year, an impairment loss of HK\$23.3 million was recognised in respect of the Group's properties under development in Hong Kong.

Details of the principal properties of the Group at 31st December, 2000 are set out on pages 82 to 84.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 80 to 81.

SHARE CAPITAL AND WARRANTS

The share capital was restructured during the year. The authorised share capital was increased from HK\$50,000,000 to HK\$500,000,000 by the creation of an additional 4,500,000,000 shares of HK\$0.10 each ranking pari passu in all respects with then existing issued and unissued shares in the capital of the Company. The par value of the shares was reduced from HK\$0.20 to HK\$0.10 each such that the issued share capital was reduced from HK\$64,261,068.60 to HK\$32,130,534.30.

Pursuant to the Restructuring Agreement, 1,987,500,000 new shares were allotted to Billion Up as consideration of injections of assets of HK\$205 million and cash of HK\$60 million to the Company. The cash proceeds of HK\$60 million were used as partial cash payment to creditors under the Scheme. As part of consideration for compromising the indebtedness pursuant to the Scheme, 662,500,000 new shares and 594,261,068 units of warrants were allotted to the scheme creditors. Holders of warrants will be entitled to subscribe for one fully-paid share of HK\$0.10 each of the Company at an initial subscription price of HK\$0.10 (subject to adjustment) per share before close of business on 20th November, 2003. No warrants were exercised during the year.

固定資產

本集團所有投資物業已於二零零零年十二月三十一日進行重估。

有關上述本集團固定資產之變動及其他變動詳情載於財務報表附註19及20內。

主要物業

本年度內，本集團就其於香港之發展中物業確認23,300,000港元之減值虧損。

本集團於二零零零年十二月三十一日之主要物業詳情載於第82至第84頁內。

財務概要

本集團過往五個財政年度之業績及資產與負債概要載於第80至第81頁內。

股本及認股權證

股本已於本年度內重組：法定股本由50,000,000港元增至500,000,000港元，額外增設4,500,000,000股每股面值0.10港元之股份。該等股份於各方面與本公司股本中之現有已發行及未發行股份享有同等權益。股份面值則由每股面值0.20港元削減至0.10港元，使已發行股本由64,261,068.60港元削減至32,130,534.30港元。

根據重組協議，Billion Up獲配發1,987,500,000股新股份，作為對本公司注入資產205,000,000港元及現金60,000,000港元之代價。所得現金款項60,000,000港元按債務償還安排用作予債權人之部份現金付款。計劃債權人則獲配發662,500,000股新股份及594,261,068份認股權證作為債務償還安排下債項妥協之部份代價。認股權證持有人有權於二零零三年十一月二十日辦公時間結束前按初步認購價每股0.10港元（可予調整）認購本公司每股面值0.10港元之繳足股份。概無認股權證於本年度內獲行使。

Movements in share capital and warrants of the Company during the year are set out in notes 35 and 36 to the financial statements respectively.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 38 to the financial statements.

DIRECTORS

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

Executive Directors:

- Mr. Thomas Lau, Luen-hung (*Chairman*)
(appointed on 20th November, 2000 and elected as
Chairman of the Board on 3rd April, 2001)
- Mr. Joseph Lau, Luen-hung
(appointed on 20th November, 2000)
- Mr. Lawrence Cheng, Sui-sang
(resigned on 20th November, 2000)
- Mr. Stephen Tam, Pui-tak
(resigned on 7th April, 2000)
- Mr. Paul Ng, Kwok-cheung
(resigned on 1st March, 2000)

Non-executive Directors:

- Mr. Eddie Chan, Kwok-wai *
(appointed on 6th December, 2000)
- Mr. Shum, Man-wai *
(appointed on 6th December, 2000)
- Mr. Kenneth Ng, Kwai-kai
(resigned on 20th November, 2000)
- Mr. Cheng, Yuk-lun
(resigned on 20th November, 2000)
- * Independent Non-executive Director

In accordance with Article 92 of the Company's Articles of Association, Mr. Thomas Lau, Luen-hung, Mr. Joseph Lau, Luen-hung, Mr. Eddie Chan, Kwok-wai and Mr. Shum, Man-wai shall retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

No Director being proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

本公司之股本及認股權證於本年度內之變動情況分別載於財務報表附註35及36內。

儲備

本集團及本公司之儲備於本年內之變動情況載於財務報表附註38內。

董事

於本年度內及直至本報告日期止，本公司之董事為：

執行董事：

- 劉鑾鴻先生 (主席)
(於二零零零年十一月二十日獲委任，並於
二零零一年四月三日獲選為董事會主席)
- 劉鑾雄先生
(於二零零零年十一月二十日獲委任)
- 鄭瑞生先生
(於二零零零年十一月二十日辭任)
- 譚培德先生
(於二零零零年四月七日辭任)
- 吳國璋先生
(於二零零零年三月一日辭任)

非執行董事：

- 陳國偉先生*
(於二零零零年十二月六日獲委任)
- 岑文偉先生*
(於二零零零年十二月六日獲委任)
- 吳季楷先生
(於二零零零年十一月二十日辭任)
- 鄭育麟先生
(於二零零零年十一月二十日辭任)
- * 獨立非執行董事

根據本公司組織章程細則第九十二條之規定，劉鑾鴻先生、劉鑾雄先生、陳國偉先生及岑文偉先生須於即將舉行之股東週年大會上告退，惟彼等有資格膺選連任。

擬於即將舉行之股東週年大會上膺選連任之董事概無訂立不可由本集團於一年內終止而毋須支付賠償 (法定賠償除外) 之服務合約。

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2000, the interests of the Directors and Chief Executives of the Company in the securities of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register kept by the Company pursuant to Section 29 of the SDI Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

I. The Company 本公司

| Name of Director | 董事姓名 | Number of Shares 股份數目 | Units of Warrants 認股權證份數 |
|--|-----------------|----------------------------------|--------------------------------|
| Mr. Joseph Lau, Luen-hung – Corporate interests | 劉鑾雄先生 – 公司權益 | 2,650,000,000 (note 1) (附註 1) | 594,261,068 (note 1) (附註 1) |

**II. Associated Corporation of the Company 本公司之相聯法團
Chinese Estates 華人置業**

| Name of Director | 董事姓名 | Number of Shares 股份數目 | |
|---|-----------------|--------------------------|-----------------|
| Mr. Joseph Lau, Luen-hung – Personal interests | 劉鑾雄先生 – 個人權益 | 330,344,119 | |
| – Other interests | – 其他權益 | 987,933,549 | (note 2) (附註 2) |
| Total | 總計 | 1,318,277,668 | |
| Mr. Thomas Lau, Luen-hung – Other interests | 劉鑾鴻先生 – 其他權益 | 206,379,187 | (note 3) (附註 3) |

董事及主要行政人員於本公司及相聯法團之證券權益

於二零零零年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券（披露權益）條例（「披露權益條例」））之證券中擁有根據披露權益條例第二十九條置存之登記冊所載錄或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）所載上市公司董事證券交易標準守則須知會本公司及聯交所之權益如下：

Notes :

1. *Mr. Joseph Lau, Luen-hung, by virtue of his 55.36% interests in the issued share capital of Chinese Estates as disclosed in paragraph II above, was deemed to be interested in the said securities of the Company under the provisions of the SDI Ordinance. These securities included direct interests in 2,044,715,460 shares and 46,957,791 units of warrants and indirect interest in 605,284,540 shares and 547,303,277 units of warrants derived from the obligation of Billion Up or Chinese Estates to purchase or procure purchase of these shares and warrants at HK\$0.10 each and HK\$0.01 each respectively upon exercise of put options by the scheme creditors pursuant to the scheme of arrangement of the Company within 6 months from 20th November, 2000.*
2. *These shares were indirectly held by a discretionary trust of which certain family members of Mr. Joseph Lau, Luen-hung are eligible beneficiaries.*
3. *These shares were indirectly held by another discretionary trust of which certain family members of Mr. Thomas Lau, Luen-hung are eligible beneficiaries.*

Save as disclosed above, none of the other Directors and Chief Executives of the Company had or were deemed under the SDI Ordinance to have any interests in the securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as at 31st December, 2000, and none of the Directors or Chief Executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 31st December, 2000, so far as are known to the Directors, the following parties (other than a Director or Chief Executive of the Company) were recorded in the register kept by the Company under Section 16 of the SDI Ordinance as being, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital of the Company:

附註：

1. 正如上文第II段所披露，劉鑾雄先生擁有華人置業已發行股本中之55.36%權益，故根據披露權益條例之規定，被視為擁有上述本公司證券；該等證券包括於2,044,715,460股股份及46,957,791份認股權證之直接權益以及於605,284,540股股份及547,303,277份認股權證之間接權益。該等證券之間接權益，乃來自Billion Up或華人置業，在債權人於二零零零年十一月二十日起計六個月內根據本公司債務償還安排行使認沽期權時，須分別按每股股份0.10港元及每份認股權證0.01港元購入或促使購入該等股份及認股權證之責任。
2. 該等股份由一項以劉鑾雄先生之若干家族成員為合資格受益人之全權信託間接持有。
3. 該等股份由另一項以劉鑾鴻先生之若干家族成員為合資格受益人之全權信託間接持有。

除上文所披露者外，於二零零零年十二月三十一日，本公司其他董事及主要行政人員概無擁有或根據披露權益條例被視為擁有本公司或其任何相聯法團（定義見披露權益條例）之證券之任何權益，並於本年度內，本公司之董事或主要行政人員或彼等之配偶或未滿十八歲之子女概無獲授予或已行使任何可認購本公司或其任何相聯法團證券之任何權利。

主要股東於本公司之權益

據董事會所知悉，於二零零零年十二月三十一日，本公司根據披露權益條例第十六條須存置之登記冊所載錄，除本公司之董事或主要行政人員外，直接或間接持有本公司已發行股本面值10%或以上權益之人士如下：

董事會報告書

| Name of Shareholder 股東名稱 | Number of Shares 股份數目 | Notes 附註 |
|--|--------------------------|-------------|
| (i) Billion Up | 2,650,000,000 | 1, 3, 4 |
| (ii) Lucky Years Ltd. | 2,650,000,000 | 1, 3, 4 |
| (iii) Chinese Estates 華人置業 | 2,650,000,000 | 3, 4 |
| (iv) Golden Game Overseas Limited | 2,650,000,000 | 2, 3, 4 |
| (v) Credit Suisse Trust Limited as trustee 作為受託人 | 2,650,000,000 | 2, 3, 4 |
| (vi) Rapid Growth Holdings Limited | 419,720,019 | 5 |
| (vii) Chinalink Investments Limited | 71,584,000 | 5 |
| (viii) Latest Trend Limited | 419,720,019 | 6 |
| (ix) Paliburg Development BVI Holdings Limited | 419,720,019 | 6 |
| (x) Paliburg Holdings Limited 百利保控股有限公司 | 419,720,019 | 6 |
| (xi) Century City Holdings Limited 世紀城市集團有限公司 | 419,720,019 | 6 |
| (xii) Century City BVI Holdings Limited | 419,720,019 | 6 |
| (xiii) Century City International Holdings Limited | 419,720,019 | 6 |
| (xiv) Mr. Lo, Yuk-sui 羅旭瑞先生 | 419,720,019 | 6 |

Notes :

- These companies are the wholly-owned subsidiaries of party (iii) and interests in the shares in the Company are duplicated and included in the shareholding stated against party (iii).
- Party (v) is the holding company of party (iv). These shares relate to the same parcel of shares in the Company which are duplicated in the shareholding stated against party (iii) due to their respective interests in party (iii).
- The shareholdings stated against parties (i) to (v) relate to the same parcel of shares referred to in corporate interests of Mr. Joseph Lau, Luen-hung under the heading "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations".
- These shares included direct interests in 2,044,715,460 shares held by party (i) and indirect interests in 605,284,540 shares derived from the obligation of party (i) or party (iii) to purchase or procure purchase of these shares at HK\$0.10 each upon exercise of put options by the creditors pursuant to the scheme of arrangement of the Company within 6 months from 20th November, 2000.

附註:

- 該等公司為第(iii)方之全資附屬公司，其於本公司股份之權益已重複計入，並包括在上文第(iii)方所述之股權內。
- 第(v)方乃第(iv)方之控股公司。因彼等各自於第(iii)方之權益，該等股份乃本公司之同一批股份，並已重複計入第(iii)方所述之股權。
- 第(i)方至第(v)方所有之股權均為「董事及主要行政人員於本公司及相聯法團之證券權益」中所述劉鑾雄先生之公司權益中所指之同一批股份。
- 該等股份包括第(i)方於2,044,715,460股股份之直接權益及於605,284,540股股份之間接權益。該等股份之間接權益，乃來自第(i)方或第(iii)方在債權人於二零零零年十一月二十日起計六個月內根據本公司於債務償還安排行使認沽期權後，須按每股股份0.10港元購入或促使購入該等股份之責任。

5. *Party (vi) has corporate interests in party (vii) and interest of party (vii) in the shares in the Company is duplicated and included in the interests held by party (vi).*
6. *All these parties have corporate interests in parties (vi) and (vii) and their interests in the shares in the Company are duplicated and included in the shareholding stated against party (vi).*

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

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

During the year, the Company entered into an agreement on 20th November, 2000 with Billion Up in which HK\$12,226,196.80 was designated as a shareholder's loan to the Company. This loan formed part of the consideration for the Company to acquire the shareholder's loans of two property holding companies from Billion Up pursuant to the Restructuring Agreement. The loan was unsecured, interest free, due and payable on 20th May, 2002.

Apart from disclosed herein, there were no other contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the year or at any time during the year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

5. 第(vi)方於第(vii)方擁有公司權益，而第(vii)方於本公司股份之權益已重複計入並包括在第(vi)方之權益內。
6. 彼等均於第(vi)方及第(vii)方擁有公司權益，而其於本公司股份之權益已重複計入並包括在第(vi)方所述之股權內。

除上文所披露者外，本公司並無接獲任何其他持有本公司於二零零零年十二月三十一日已發行股本10%或以上權益的通知。

董事及控權股東於合約之權益

於本年度內，本公司與Billion Up於二零零零年十一月二十日訂立協議，據此，12,226,196.80港元被定作借予本公司之股東貸款。該項貸款作為本公司根據重組協議向Billion Up購入兩間物業持有公司之股東貸款之代價之一部份。該項貸款為無抵押、免息及於二零零二年五月二十日到期償還。

除本文所披露者外，本公司或本公司之任何附屬公司概無於本年年底或本年度內任何時間訂立與本公司業務有重大關係而董事於其中有重大權益（不論直接或間接）之合約。本公司或本公司之任何附屬公司亦概無與控權股東或其任何附屬公司訂立與本公司業務有重大關係之合約。

董事會報告書

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

During the year, apart from the warrants held as shown under paragraph I of "Directors' and Chief Executives' Interests in the Securities of the Company and Associated Corporations" above, there were no other arrangements, to which the Company, its ultimate holding company, or any of its holding company's subsidiaries was a party 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.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 37 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CONNECTED TRANSACTION

According to the Restructuring Agreement and the Scheme, Rapid Growth Holdings Limited ("Rapid Growth") and Paliburg Development Finance Limited ("Paliburg Development") received on 20th November, 2000, being the completion date of the Restructuring Agreement, new shares and warrants of the Company and cash payment as final settlement of their respective indebtedness due by the Company.

Rapid Growth was a bondholder of 4% convertible guaranteed bonds due 2002 guaranteed by the Company in an aggregate outstanding amount of approximately HK\$215 million (which were pledged to Credit Suisse First Boston) which was compromised by the issue of approximately 210 million new shares and approximately 189 million units of warrants and cash repayment of approximately HK\$17.97 million. Rapid Growth was also an unsecured creditor of the Company for HK\$48 million which was compromised by the issue of approximately 47 million new shares and approximately 42 million units of warrants and cash repayment of approximately HK\$4.01 million.

購買股份或債券之安排

於本年度內，除上文「董事及主要行政人員於本公司及相聯法團之證券權益」中I段所載持有認股權證外，本公司、其最終控股公司或其控股公司之任何附屬公司概無作出其他安排，以使本公司董事可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。

購股權計劃

本公司購股權計劃之詳情載於財務報表附註37內。

購入、出售或贖回上市證券

於本年度內，本公司或其附屬公司概無購入、出售或贖回本公司任何上市證券。

關連交易

根據重組協議及債務償還安排，Rapid Growth Holdings Limited (「Rapid Growth」) 及百利保發展金融財務有限公司 (「百利保發展」) 於二零零零年十一月二十日重組協議完成時，收取本公司之新股份及認股權證以及現金還款，作為清償本公司欠彼等各自之債項。

Rapid Growth為由本公司擔保未償還總額約215,000,000港元於二零零二年到期息率4厘之可兌換擔保債券（抵押予Credit Suisse First Boston）持有人，該項債務藉發行約210,000,000股新股份及約189,000,000份認股權證，以及現金還款約17,970,000港元而獲妥協。Rapid Growth亦為48,000,000港元之本公司無抵押債權人，該項債務藉發行約47,000,000股新股份及約42,000,000份認股權證，以及約4,010,000港元現金還款而獲妥協。

Paliburg Development, as an unsecured creditor of the Company for approximately HK\$51 million, has received approximately 50 million new shares and approximately 44 million units of warrants and cash repayment of approximately HK\$4.23 million.

As Rapid Growth was a substantial shareholder of the Company, whereas Paliburg Development was a wholly-owned subsidiary of Paliburg Holdings Limited, the beneficial owner of 50% interests in Rapid Growth, the Restructuring Agreement constituted a connected transaction of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rules, as at 31st December, 2000, the following Directors of the Company declared interests in the following companies with businesses which compete or are likely to compete, either directly or indirectly with the businesses of the Group:

百利保發展作為約 51,000,000 港元之本公司無抵押債權人，亦獲得約 50,000,000 股新股份、約 44,000,000 份認股權證及約 4,230,000 港元現金還款。

由於Rapid Growth為本公司之主要股東，而百利保發展為百利保控股有限公司（實益擁有Rapid Growth 50%之權益）之全資附屬公司，故重組協議構成本公司一項關連交易。

董事於競爭性業務之權益

於二零零零年十二月三十一日，根據上市規則第 8.10 條，下列本公司董事宣布於下列與本集團業務直接或間接構成競爭或可能構成競爭之業務之公司中擁有權益：

| Name of Directors 董事姓名 | Name of companies 公司名稱 | Nature of business considered to compete or likely to compete with the businesses of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質 | Nature of interest of the Directors in the companies 董事於該等公司之 權益性質 |
|---------------------------------------|---|---|---|
| Mr. Joseph Lau, Luen-hung 劉鑾雄先生 | *Chinese Estates and its subsidiaries * 華人置業及其附屬公司 | Property investment and development 物業投資及發展 | Director and having certain deemed interests in Chinese Estates 董事及於華人置業擁有 若干被視為擁有之權益 |
| | Evergo China Holdings Limited ("Evergo China") and its subsidiaries ("愛美高中國") 及其附屬公司 | Property investment and development 物業投資及發展 | Director and having certain deemed interests in Evergo China 董事及於愛美高中國擁有 若干被視為擁有之權益 |
| | The Kwong Sang Hong International Limited ("Kwong Sang Hong") and its subsidiaries ("廣生行") 及其附屬公司 | Property investment and development 物業投資及發展 | Director and having certain deemed interests in Kwong Sang Hong 董事及於廣生行擁有 若干被視為擁有之權益 |

董事會報告書

| Name of Directors 董事姓名 | Name of companies 公司名稱 | Nature of business considered to compete or likely to compete with the businesses of the Group 被認為與本集團業務 構成競爭或可能構成 競爭之業務性質 | Nature of interest of the Directors in the companies 董事於該等公司之 權益性質 |
|---------------------------------------|---|---|---|
| Mr. Thomas Lau, Luen-hung 劉鑾鴻先生 | * Chinese Estates and its subsidiaries * 華人置業及其附屬公司 | Property investment and development 物業投資及發展 | Director and having certain deemed interests in Chinese Estates 董事及於華人置業擁有 若干被視為擁有之權益 |
| | Evergo China and its subsidiaries 愛美高中國及其附屬公司 | Property investment and development 物業投資及發展 | Director 董事 |
| | Kwong Sang Hong and its subsidiaries 廣生行及其附屬公司 | Property investment and development 物業投資及發展 | Director 董事 |

* listed holding company of the Company

* 本公司之上市控股公司

Mr. Joseph Lau, Luen-hung and Mr. Thomas Lau, Luen-hung are brothers (collectively the "Lau Brothers") and also have personal interests in private companies engaged in businesses consisting of property development and investment in Hong Kong. As such, they are regarded as being interested in such businesses which compete or may compete with the Group. However, when compared with the dominance and size of operations of the Group, such competing businesses are immaterial.

劉鑾雄先生及劉鑾鴻先生為兄弟(統稱「劉氏兄弟」),並於經營業務包括於香港從事物業發展及投資之私人公司中擁有個人權益。因此,彼等被視為於與本集團構成競爭或可能構成競爭之業務擁有權益。然而,上述競爭性業務與本集團之優勢及業務規模相比乃微不足道。

Other than the businesses of the private companies of the Lau Brothers, the above-mentioned businesses are managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of its independent non-executive directors (whose views carry significant weight in the Board's decisions) and the independent Audit Committee, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the above companies.

除劉氏兄弟之私人公司之業務外,上述業務乃由獨立上市公司管理,該等獨立上市公司擁有獨立管理及行政程序。就此而言,結合其對董事會決策有重大影響力之獨立非執行董事及獨立審核委員會之努力,本集團有能力獨立並按公平磋商原則從事其業務,而不受上述公司之業務所影響。

Other than as disclosed above, none of the Directors are interested in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's business.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31st December, 2000, the aggregate purchases attributable to the Group's five largest suppliers contributed less than 30% of the total purchases of the Group.

For the year ended 31st December, 2000, the aggregate turnover attributable to the Group's five largest customers was less than 30% of the total turnover of the Group.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has an interest in the share capital of any of the five largest suppliers or customers.

PENSION SCHEME

The Group operated two pension schemes in the year of 2000. At the beginning of the year, the Group operated a staff provident fund scheme (the "Provident Fund Scheme") as defined in the Occupational Retirement Schemes Ordinance (Chapter 426 of the laws of Hong Kong). The Provident Fund Scheme was terminated on 29th February, 2000. On 1st December, 2000, the Group started another scheme, the Mandatory Provident Fund scheme (the "MPF").

Both the Provident Fund Scheme and the MPF are defined contribution schemes and the assets of both schemes are managed by their respective trustees accordingly.

The Provident Fund Scheme was available to all full-time permanent employees under the employment of the Group in Hong Kong. Contributions to the Provident Fund Scheme were made by the Group at 5% based on the staff's basic salary. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing

除上文所披露者外，概無董事於對本公司業務直接或間接構成競爭或可能構成競爭之任何業務（本公司業務除外）中擁有權益。

主要供應商及客戶

截至二零零零年十二月三十一日止年度，本集團之五大供應商應佔之購貨總額佔本集團之購貨總額少於30%。

截至二零零零年十二月三十一日止年度，本集團五大客戶應佔之營業總額佔本集團之營業總額少於30%。

概無董事、其聯繫人士或任何據董事會所知擁有本公司已發行股本5%以上之股東擁有任何五大供應商或客戶之股本權益。

退休金計劃

本集團於二零零零年先後設有兩項退休金計劃。年初，本集團設有一項僱員公積金計劃（「公積金計劃」）（定義見香港法例第426章職業退休計劃條例）。公積金計劃於二零零零年二月二十九日終止。於二零零零年十二月一日，本集團開設另一項計劃—強制性公積金計劃（「強積金計劃」）。

公積金計劃及強積金計劃均為定額供款計劃，該等計劃之資產乃由各自之受託人管理。

公積金計劃可供在香港受僱之本集團全職長期僱員參加。本集團乃根據僱員之基本薪金作出5%之供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%

董事會報告書

10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Provident Fund Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Provident Fund Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The MPF is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

The Group's cost for the schemes charged to income statement for the year ended 31st December, 2000 amounted to HK\$29,000 (1999: HK\$721,000). In addition, forfeited employer's contributions for the Provident Fund Scheme amounted to HK\$692,000 (1999: HK\$276,000).

CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st December, 2000 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the Independent Non-executive Directors are not appointed for any specific terms as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Article 101 of the Company's Articles of Association and the Audit Committee is not established until 6th December, 2000 (the appointment date of two Independent Non-executive Directors) and its financial position has been under constant monitoring by its major creditors until 20th November, 2000 (the completion of Restructuring Agreement).

本集團供款。公積金計劃容許本集團將任何已沒收供款(即本集團就任何可獲得全部供款前退出公積金計劃之僱員而作出之供款)用以抵銷本集團現有之供款水平。

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言,有關入息上限為每月20,000港元。不論其於本集團之服務年期,僱員均可取得100%本集團供款連同應計回報,惟根據法例,有關利益將保留至退休年齡65歲方可領取。

本集團於截至二零零零年十二月三十一日止年度就該等計劃於收益表扣除之費用為29,000港元(一九九九年:721,000港元)。此外,就公積金計劃之已沒收僱主供款為692,000港元(一九九九年:276,000港元)。

最佳應用守則

除獨立非執行董事因根據本公司之組織章程細則第101條須於本公司之股東週年大會上輪值告退及膺選連任而並無獲委任任何特定年期,以及審核委員會直至二零零零年十二月六日(兩名獨立非執行董事之委任日期)成立及其財務狀況直至二零零零年十一月二十日(重組協議完成日期)之前由其主要債權人監管外,本公司於截至二零零零年十二月三十日止年度一直遵守上市規則附錄十四所載之最佳應用守則。

AUDITORS

A resolution will be submitted to the forthcoming Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Thomas Lau, Luen-hung
Chairman

Hong Kong, 6th April, 2001

核數師

本公司將於即將舉行之股東週年大會上提呈一項續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會
主席
劉鑾鴻

香港，二零零一年四月六日