

# Directors' Report

## 董事會報告

The directors present their annual report and the audited financial statements for the year ended 31st March, 2003.

### CORPORATE REORGANISATION

The Company was incorporated and registered in the Cayman Islands on 23rd January, 2001 as a limited company under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Pursuant to a reorganisation scheme (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 16th May, 2002.

Details of the Reorganisation are set out in the prospectus dated 24th May, 2002 issued by the Company.

The shares of the Company have been listed on the Stock Exchange since 6th June, 2002.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including securities dealing and broking, futures and option broking, securities margin financing, corporate finance services, and brokerage of mutual funds and insurance-linked investment plans and products. Particulars of the Company's subsidiaries are set out in note 15 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2003 are set out in the consolidated income statement on page 19.

An interim dividend of HK1.7 cents per share was paid during the year. The directors now recommend the payment of a final dividend of HK1 cent per share to the shareholders on the register of members on 3rd September, 2003, amounting to HK\$3,000,000, and the retention of the remaining profit for the year of HK\$2,282,000.

### PROPERTY AND EQUIPMENT

Details of movements during the year in the property and equipment of the Group are set out in note 14 to the financial statements.

### SHARE CAPITAL

Details of movements in the authorised and issue share capital of the Company during the year are set out in note 26 to the financial statements.

董事會提呈本公司之年報及截至二零零三年三月三十一日之經審核財務報表。

### 公司重組

本公司於二零零一年一月二十三日在開曼群島根據開曼群島公司法第22章(一九六一年法例3, 經綜合及修訂)註冊成立為有限公司。

根據一項為重組本集團架構以籌備本公司股份於香港聯合交易所有限公司(「聯交所」)上市而進行之重組計劃(「重組」), 本公司成為於二零零二年五月十六日組成現時本集團各公司之控股公司。

重組詳情載於本公司於二零零二年五月二十四日刊發之招股章程內。

本公司之股份自二零零二年六月六日起在聯交所上市。

### 主要業務

本公司為投資控股公司。本集團之主要業務為提供金融服務, 包括證券買賣及經紀服務、期貨及期權經紀服務、證券保證金融資、企業融資服務, 以及互惠基金及保險相關投資計劃及產品之經紀服務。本公司附屬公司之資料載於財務報表附註15。

### 業績及分派

本集團截至二零零三年三月三十一日止年度之業績載於第19頁之綜合收益表內。

每股1.7港仙之中期股息於年內已派付。董事會現建議派發末期股息每股1港仙予二零零三年九月三日名列本公司股東名冊之股東, 合共3,000,000港元, 及保留本年內剩餘利潤2,282,000港元。

### 物業及設備

年內, 本集團之物業及設備變動詳情載於財務報表附註14。

### 股本

本公司於年內之法定及已發行股本變動詳情載於財務報表附註26。

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### RESERVES

Movements in the reserves of the Company and of the Group during the year are set out in note 27 to the financial statements and the consolidated statement of changes in equity respectively.

### DISTRIBUTABLE RESERVES

At 31st March, 2003, the reserves of the Company available for distribution to shareholders were approximately HK\$228,073,000, which comprises of the share premium, special reserve and retained profits.

### DIRECTORS

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

#### Executive directors:

Mr. Hung Hon Man (*Chairman*)  
 Mr. Cham Wai Ho, Anthony (*Deputy chairman*)  
 Mr. Shum Kin Wai, Frankie (*Managing director*)  
 Mr. Wong Sheung Kwong  
 Mr. Cheng Wai Ho  
 Mr. Hung Sui Kwan  
 (resigned on 17th September, 2002)

#### Independent non-executive directors:

Mr. Liu Chun Ning, Wilfred  
 (appointed on 16th May, 2002)  
 Mr. Lin Zhi Hang  
 (appointed on 16th May, 2002)

In accordance with the provisions of the Company's Articles of Association, Messrs. Wong Sheung Kwong and Cheng Wai Ho shall retire and, being eligible, offer themselves for re-election.

### DIRECTORS' SERVICES CONTRACTS

Each of the executive directors has entered into a service contract with the Company for an initial fixed term of three years commencing from 1st April, 2002 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

Save as disclosed above, none of the directors 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.

### 儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註27及綜合權益變動報表。

### 可供分派儲備

於二零零三年三月三十一日，本公司可供分派予股東之儲備約228,073,000港元，當中包括股份溢價、特別儲備及保留溢利。

### 董事

於年內及截至本報告發表日期期間，本公司之董事如下：

#### 執行董事：

洪漢文先生 (主席)  
 湛威豪先生 (副主席)  
 岑建偉先生 (董事總經理)  
 王湘江先生  
 鄭偉浩先生  
 洪瑞坤先生  
 (於二零零二年九月十七日辭任)

#### 獨立非執行董事：

廖俊寧先生  
 (於二零零二年五月十六日獲委任)  
 蘭之航先生  
 (於二零零二年五月十六日獲委任)

王湘江先生及鄭偉浩先生按照本公司之公司組織章程細則規定告退，惟符合資格並願膺選連任。

### 董事之服務合約

各執行董事與本公司訂立初步固定為三年之服務合約，該等合約由二零零二年四月一日起生效，直至其中一方向對方發出不少於三個月之書面通知為止。該等通知於固定年期終止前一直有效。

各非執行董事之任期為直至按照本公司之公司組織章程細則輪值告退之期間。

除上文所披露者外，擬於應屆股東週年大會膺選連任之董事並無訂立任何不得由本集團於一年內在不支付賠償(法定賠償除外)下終止之服務合約。

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## 董事會報告

## DIRECTORS' INTERESTS IN SHARES

## 1. Shares in the Company

At 31st March, 2003, the interests of the directors and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Name of director 董事	Number of ordinary shares held 所持普通股數目		Total 總數	Percentage of shareholding 股權百分比
	Personal interest 個人權益	Corporate interest 公司權益		
Mr. Hung Hon Man 洪漢文先生	–	189,270,000 (Note i) (附註 i)	189,270,000	63.09%
Mr. Cham Wai Ho, Anthony 湛威豪先生	–	25,087,500 (Note ii) (附註 ii)	25,087,500	8.36%
Mr. Shum Kin Wai, Frankie 岑建偉先生	10,642,500	–	10,642,500	3.55%

## Notes:

- i. These shares are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.
- ii. These shares are held by Chambray Resources Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Cham Wai Ho, Anthony.

## 2. Shares in a subsidiary

At 31st March, 2003, the following directors held interests in the non-voting deferred shares of Get Nice Investment Limited, a wholly owned subsidiary of the Company:

## 董事之股份權益

## 1. 本公司股份

於二零零三年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所示，董事及其聯繫人士於本公司股本之權益如下：

## 附註：

- i. 有關股份由一間在英屬處女群島註冊成立之有限公司 Honeylink Agents Limited 持有，其全部已發行股本由洪漢文先生實益擁有。
- ii. 有關股份由一間在英屬處女群島註冊成立之有限公司 Chambray Resources Limited 持有，其全部已發行股本由湛威豪先生實益擁有。

## 2. 附屬公司股份

於二零零三年三月三十一日，以下董事持有本公司之全資附屬公司結好投資有限公司之無投票權遞延股份：

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DIRECTORS' INTERESTS IN SHARES  
(continued)

## 2. Shares in a subsidiary (continued)

Name of director  
董事姓名

Mr. Hung Hon Man  
洪漢文先生

Mr. Shum Kin Wai, Frankie  
岑建偉先生

Save as disclosed above, none of the directors, nor their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors, nor their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

ARRANGEMENTS TO PURCHASE  
SHARES AND OPTIONS

Particulars of the Company's share option scheme are set out in note 28 to the financial statements. There has been no option granted since the adoption of the share option scheme.

Save as disclosed, at no time during the year was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements 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 and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the year.

## 董事之股份權益(續)

## 2. 附屬公司股份(續)

Number of non-voting deferred shares  
無投票權遞延股數目

36,000,000 shares of HK\$1 each  
每股面值1港元股份36,000,000股

4,000,000 shares of HK\$1 each  
每股面值1港元股份4,000,000股

除上文所披露者外，概無董事或彼等之聯繫人士擁有本公司或其任何聯營公司(定義見披露權益條例)之任何證券權益，而於年內，亦無董事或彼等之配偶或18歲以下子女有權認購本公司之證券或已行使該等權利。

## 購買股份及購股權之安排

本公司之購股權計劃詳情載於財務報表附註28。自採納購股權計劃以來，概無授出購股權。

除所披露者外，於年內任何時間，本公司、其最終控股公司或其最終控股公司之任何附屬公司並無參與任何安排，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益，而於年內，亦無董事或彼等之配偶或18歲以下子女有權認購本公司之證券或已行使該等權利。

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## 董事會報告

### CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

1. During the year, the Group paid rental expense of HK\$1,800,000 to Fullink Developments Limited, a company in which Messrs. Hung Hon Man and Cham Wai Ho, Anthony have beneficial interests.
2. During the year, the Group received commission of approximately HK\$32,000 and interest of approximately HK\$114,000 from Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Cheng Wai Ho and their associates.
3. During the year, the Group paid interest expense of approximately HK\$375,000 to Mr. Hung Hon Man.

The independent non-executive directors confirm that these transactions have been entered into by the Group in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions.

Other than as disclosed above, no contracts of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and 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 SHAREHOLDERS

Other than the interests of Mr. Hung Hon Man in the shares of the Company referred to in the section headed "Directors' Interests in Shares" above, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no other person as having an interest in 10% or more in the issued share capital of the Company at 31st March, 2003.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Memorandum and Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

### 關連交易及董事之合約權益

1. 於年內，本集團支付租金費用1,800,000港元予富協發展有限公司。洪漢文先生及湛威豪先生擁有該公司之實益權益。
2. 於年內，本集團自岑建偉先生、湛威豪先生、鄭偉浩先生及彼等之聯繫人士分別收取佣金約32,000港元及利息約114,000港元。
3. 於年內，本集團支付利息費用約375,000港元予洪漢文先生。

獨立非執行董事確認，該等交易乃本集團循日常業務及根據監管有關交易之協議條款訂立。

除上文所披露者外，本公司、其最終控股公司或其最終控股公司之任何附屬公司概無參與訂立任何於年內結束或年內任何時間內仍然生效且本公司董事於其中直接或間接擁有重大權益之重大合約。

### 主要股東

除上文「董事之股份權益」一節所述洪漢文先生於本公司股份之權益外，本公司根據披露權益條例第16(1)條存置之主要股東名冊中，並無其他人士於二零零三年三月三十一日擁有本公司已發行股本10%或以上之權益。

### 優先購股權

本公司之公司組織章程大綱及細則及開曼群島法例並無有關優先購股權之條文，即規定本公司須按比例向現有股東提呈發售新股份。

### 購買、贖回或出售本公司之上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

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## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31st March, 2003, the Group's turnover attributed to the five largest customers accounted for less than 30% of the Group's total turnover.

The Group had no major suppliers due to the nature of principal activities of the Group.

### AUDIT COMMITTEE

The Company set up an audit committee on 16th May, 2002 with written terms of reference in compliance with the Code of Best Practice set out in appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee will report its findings and make recommendations to the board of directors on a half yearly basis. The audit committee has two members comprising Messrs. Liu Chun Ning, Wilfred and Lin Zhi Hang, both being independent non-executive directors.

### COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

### 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  
**Hung Hon Man**  
*Chairman*

Hong Kong, 22nd July, 2003

### 主要客戶及供應商

於截至二零零三年三月三十一日止年度期間，來自五大客戶之本集團營業額佔本集團營業總額不足30%。

基於本集團主要業務之性質，本集團並無主要供應商。

### 審核委員會

本公司於二零零二年五月十六日成立審核委員會，並遵照聯交所證券上市規則（「上市規則」）附錄十四所載之最佳應用守則書面界定其職權範圍。審核委員會之主要職責為審核及監察本集團之財務申報程序及內部監管制度。審核委員會將每半年一次向董事會報告審核結果及提出建議。董事會之審核委員會由兩位獨立非執行董事廖俊寧先生及藺之航先生組成。

### 遵守最佳應用守則

本公司於截至二零零三年三月三十一日止年度一直遵守聯交所於上市規則附錄十四所列之最佳應用守則，惟本公司之非執行董事並無按最佳應用守則第7段規定之特定任期委任，惟須依據本公司之公司組織章程細則輪值告退及於本公司之股東週年大會上膺選連任。

### 核數師

本公司之應屆股東週年大會上將提呈決議案續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會  
主席  
洪漢文

香港，二零零三年七月二十二日