

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries and associates are set out in notes 45 and 46 respectively to the financial statements.

RESULTS

The results of the Group for the year ended March 31, 2003 are set out in the consolidated income statement on page 29.

INVESTMENT PROPERTIES

During the year, the Group disposed of investment properties with carrying amounts of HK\$14,836,000, of which HK\$13,923,000 related to disposal through the disposal of a subsidiary.

The Group's investment properties were revalued as at March 31, 2003, as set out in note 13 to the financial statements. The resulting surplus arising on revaluation which amounted to HK\$570,000 has been credited directly to the investment property revaluation reserve.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group disposed of property, plant and equipment with carrying amounts of HK\$54,694,000, of which HK\$54,682,000 related to disposal through the disposal of a subsidiary.

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

MAJOR PROPERTIES

Details of the major properties of the Group at March 31, 2003 are set out on page 102.

SHARE CONSOLIDATION

At the extraordinary general meeting of the Company held on May 9, 2003, the consolidation of every 25 issued and unissued shares of HK\$0.25 each in the capital of the Company into 1 consolidated share of HK\$6.25 was approved to take effect on May 12, 2003.

SHARE CAPITAL AND WARRANTS

Movements in the share capital and warrants of the Company are set out in note 26 to the financial statements.

董事會報告書

董事謹此提呈截至二零零三年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃投資控股公司，並為其附屬公司提供公司管理服務。其主要附屬公司及聯營公司之業務分別載於財務報表附註45及46。

業績

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29頁之綜合收益賬內。

投資物業

本集團於年內出售賬面值14,836,000港元之投資物業，當中13,923,000港元與出售一家附屬公司有關。

於二零零三年三月三十一日，本集團重估其投資物業，有關詳情載於財務報表附註13，因而產生之重估盈餘達570,000港元，已直接於投資物業重估儲備入賬。

物業、廠房及設備

本集團於年內出售賬面值54,694,000港元之物業、廠房及設備，當中54,682,000港元與出售一家附屬公司有關。

本集團與本公司之物業、廠房及設備於年內之變動情況載於財務報表附註14。

主要物業

本集團於二零零三年三月三十一日所持有之主要物業詳情載於第102頁。

股份合併

本公司於二零零三年五月九日舉行股東特別大會，會上批准本公司股本中每25股每股面值0.25港元之已發行及未發行股份合併為1股每股面值6.25港元之合併股份，並於二零零三年五月十二日生效。

股本及認股權證

本公司之股本及認股權證變動情況載於財務報表附註26。

REPORT OF THE DIRECTORS – continued

RESERVES

Details of movements during the year in the reserves of the Group and the Company are set out in note 27 to the financial statements.

DIRECTORS

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

Executive directors:

Chan Heng Fai
Chan Tong Wan (redesignated from non-executive director on September 30, 2002 and appointed as Managing Director on August 25, 2003)

Chan Yoke Keow
Chan Sook Jin, Mary-ann

Non-executive directors:

Chan Tong Wan (redesignated to executive director on September 30, 2002)

Fong Kwok Jen
Ha Kee Choy (resigned on July 23, 2003)

Independent non-executive directors:

Lee Ka Leung, Daniel
Wong Dor Luk, Peter

Alternate directors:

Lau Kwok Fai (alternate to Chan Heng Fai)
Wooldridge Mark Dean (alternate to Fong Kwok Jen)

In accordance with Articles 78 and 79 of the Company's Articles of Association, Ms. Chan Sook Jin, Mary-ann and Mr. Lee Ka Leung, Daniel retire by rotation and, being eligible, offer themselves for re-election. The term of office of each non-executive director and independent non-executive director is the period up to his retirement by rotation and each one of them can be re-appointed in accordance with the above articles.

董事會報告書 – 續

儲備

本集團及本公司於年內之儲備變動詳情載於財務報表附註27。

董事

年內及截至本報告日期為止，本公司之在任董事如下：

執行董事：

陳恒輝
陳統運 (於二零零二年九月三十日由非執行董事轉任，後於二零零三年八月二十五日獲委任為董事總經理)

陳玉嬌
陳淑貞

非執行董事：

陳統運 (於二零零二年九月三十日轉任為執行董事)

鄺國禎
夏其才 (於二零零三年七月二十三日辭任)

獨立非執行董事：

李家樑
王多祿

替任董事：

劉國輝 (陳恒輝之替任董事)
Wooldridge Mark Dean (鄺國禎之替任董事)

根據本公司之公司組織章程細則第78及79條，陳淑貞女士及李家樑先生須輪值告退，惟合資格且願膺選連任。各非執行董事及獨立非執行董事之任期至根據上述條文輪值告退為止，且均可根據上述條文再獲委任。

DIRECTORS' INTERESTS IN SECURITIES

董事於證券之權益

(1) Shares and warrants

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

(i) Ordinary shares of the Company

董事姓名 Name of directors	個人權益 Personal interests	所持普通股數目 Number of ordinary shares held			其他權益 Other interests
		公司權益 Corporate interests	家族權益 Family interests		
Chan Heng Fai 陳恒輝	71,476,233	8,535,276 (附註1) (note 1)	-	-	
Chan Yoke Keow 陳玉嬌	31,437,294	434,328,440 (附註2) (note 2)	-	59,733,600 (附註3) (note 3)	
Chan Sook Jin, Mary-ann 陳淑貞	25,680	-	3,416,000 (附註4) (note 4)	-	
Fong Kwok Jen 鄺國禎	3,828,000	-	-	-	
Chan Tong Wan 陳統運	17,612,480	-	-	-	
Wong Dor Luk, Peter 王多祿	280,000	-	-	-	

(ii) Warrants of the Company

董事姓名 Name of director	個人權益 Personal interests	所持認股權證數目 Number of warrants held			其他權益 Other interests
		公司權益 Corporate interests	家族權益 Family interests		
Chan Yoke Keow 陳玉嬌	-	80,000,000 (附註5) (note 5)	-	-	

(1) 股份及認股權證

於二零零三年三月三十一日，按本公司根據香港之證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所載，董事、主要行政人員及彼等之聯繫人士於本公司之股份中擁有之權益如下：

(i) 本公司之普通股

(ii) 本公司之認股權證

REPORT OF THE DIRECTORS – continued

DIRECTORS' INTERESTS IN SECURITIES – continued

(1) Shares and warrants – continued

Notes:

1. These shares are owned by Heng Fai China & Asia Industries Limited, in which Mr. Chan Heng Fai (“Mr. Chan”) has a beneficial interest.
2. These shares are owned by BPR Holdings (BC) Inc., BPR Holdings (Far East) Limited, First Pacific International Limited and Prime Star Group Co. Ltd., in which Mrs. Chan Yoke Keow (“Mrs. Chan”) has beneficial interests.
3. These shares are owned by a discretionary trust, Bermuda Trust (South Pacific) Limited. Mrs. Chan is one of the discretionary objects.
4. These shares are owned by Mr. Wooldridge Mark Dean, the spouse of Ms. Chan Sook Jin, Mary-ann.
5. These warrants are owned by Prime Star Group Co. Ltd., in which Mrs. Chan has a beneficial interest.

(iii) Shares in a subsidiary

At March 31, 2003, the following directors held interest in the shares of PeopleMed.com, Inc., a subsidiary of the Company as follows:

董事會報告書 – 續

董事於證券之權益 – 續

(1) 股份及認股權證 – 續

附註：

1. 該等股份由陳恒輝先生（「陳先生」）實益擁有之恒輝中亞企業有限公司擁有。
2. 該等股份由陳玉嬌女士（「陳女士」）實益擁有之BPR Holdings (BC) Inc.、BPR Holdings (Far East) Limited、First Pacific International Limited及Prime Star Group Co. Ltd.擁有。
3. 該等股份由一項全權信託Bermuda Trust (South Pacific) Limited擁有，而陳女士乃該項信託之受益人之一。
4. 該等股份由陳淑貞女士之配偶Wooldridge Mark Dean先生擁有。
5. 該等認股權證由陳女士實益擁有之Prime Star Group Co. Ltd.擁有。

(iii) 於一家附屬公司之股份

於二零零三年三月三十一日，以下董事於本公司附屬公司PeopleMed.com, Inc.之股份擁有之權益如下：

所持普通股數目

	個人權益 Personal interests	家族權益 Family interests
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Chan Heng Fai	陳恒輝	100,000	–
Chan Yoke Keow	陳玉嬌	–	100,000 (附註) (Note)
Chan Tong Wan	陳統運	25,000	–
Fong Kwok Jen	鄺國禎	25,000	–

Note: These shares are owned by Mr. Chan, the spouse of Mrs. Chan.

附註：該等股份由陳女士之配偶陳先生擁有。

REPORT OF THE DIRECTORS – continued

董事會報告書 – 續

DIRECTORS' INTERESTS IN SECURITIES – continued

董事於證券之權益 – 續

(2) Options

Particulars of the Company's and subsidiaries' share option schemes are set out in note 41 to the financial statements.

The following table discloses details of the Company's share options in issue during the year:

(2) 購股權

本公司及附屬公司之購股權計劃詳情載於財務報表附註41。

下表披露本公司於年內發行之購股權詳情：

董事姓名	授出日期	可予行使期限	每股行使價	於二零零二年四月一日及二零零三年三月三十一日之購股權數目
Name of director	Date granted	Exercisable period	Exercise price per share 港元 HK\$	Number of share options at 4.1.2002 and 3.31.2003
Category 1: Directors	第一類: 董事			
Chan Heng Fai	陳恒輝	4.22.1996	4.22.1996 – 4.21.2006	1,000,000
		5.15.1997	5.15.1997 – 5.14.2007	6,660,000
		10.26.1997	10.26.1997 – 10.25.2007	14,400,000
Chan Yoke Keow	陳玉嬌	4.22.1996	4.22.1996 – 4.21.2006	2,071,739
		5.15.1997	5.15.1997 – 5.14.2007	6,660,000
		10.26.1997	10.26.1997 – 10.25.2007	14,400,000
Chan Sook Jin, Mary-ann	陳淑貞	10.26.1997	10.26.1997 – 10.25.2007	25,000,000
Total directors	董事總數			70,191,739
Category 2 : Employees	第二類: 僱員			
Total employees	僱員總數	5.15.1997	5.15.1997 – 5.14.2007	1,300,000
Total all categories	所有類別總數			71,491,739

No share option was granted or exercised during the year.

年內並無購股權獲授出或行使。

DIRECTORS' INTERESTS IN SECURITIES – continued

董事於證券之權益 – 續

(2) Options – continued

In addition, the following outstanding options to subscribe for shares in the capital of a former subsidiary and certain subsidiaries of the Company, granted to certain directors of the Company under the share option schemes of these former and existing subsidiaries are as follows:

- (i) *China Gas Holdings Limited ("CGHL"), a former subsidiary of the Company*

The following table discloses movements in the CGHL's share options during the year.

董事姓名 Name of director	授出日期 Date of grant	可予行使期限 Exercisable period	每股行使價 Exercise price per share 港元 HK\$	購股權數目 Number of share options		
				於 二零零二年 四月一日 At 4.1.2002	年內行使 Exercised during the year	於 二零零三年 三月三十一日 At 3.31.2003
Chan Sook Jin, Mary-ann 陳淑貞	2.10.1998	2.10.1998 – 2.9.2008	0.11	1,000,000	(1,000,000)	-

The weighted average closing price of CGHL's shares immediately before the date on which the options were exercised was HK\$1.35 per share.

CGHL was disposed of during the year. Details of the transaction are set out in note 19 to the financial statements.

(2) 購股權 – 續

此外，以下可認購本公司一間前附屬公司及若干附屬公司股本中股份之尚未行使購股權乃根據該前附屬公司及現有附屬公司之購股權計劃授予本公司若干董事，詳情如下：

- (i) 本公司前附屬公司中國燃氣控股有限公司（「中國燃氣」）

下表披露中國燃氣購股權於年內之變動情況。

緊接購股權獲行使日期前之中國燃氣股份加權平均收市價為每股1.35港元。

中國燃氣於年內售出。有關交易詳情載於財務報表附註19。

REPORT OF THE DIRECTORS – continued

董事會報告書 – 續

DIRECTORS' INTERESTS IN SECURITIES – continued

董事於證券之權益 – 續

(2) Options – continued

(ii) *eBanker USA.com, Inc. (“eBanker”)*

The following table presents details of share options in issue during the year.

Category 1: Directors	第一類：董事	
Chan Heng Fai	陳恒輝	500,000
Fong Kwok Jen	鄺國禎	100,000
		<hr/>
Total held by directors	董事所持總數	600,000
Category 2: Employees	第二類：僱員	
Total held by employees	僱員所持總數	20,000
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Total	總計	620,000
		<hr/> <hr/>

There was no movement in the share options granted by eBanker during the year.

(iii) *Global Med Technologies, Inc. (“Global Med”)*

The following table presents the activity for options for the year ended and as of March 31, 2003:

Category 1: Directors	第一類：董事	每股行使價	於二零零三年三月三十一日之購股權數目
		Exercise price per share	Number of share options at 3.31.2003
		美元	
		US\$	
Chan Heng Fai	陳恒輝	0.78	250,000
Chan Tong Wan	陳統運	0.66	50,000
Fong Kwok Jen	鄺國禎	0.78	150,000
			<hr/>
Total held by directors	董事所持總數		450,000
Category 2: Employees	第二類：僱員		
Total held by employees	僱員所持總數	0.75	8,461,942
			<hr/>
Total	總計		8,911,942
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下表乃年內已發行購股權之詳情。

於二零零二年四月一日及二零零三年三月三十一日之購股權數目
Number of share options at 4.1.2002 and 3.31.2003

eBanker授出之購股權於年內並無任何變動。

(iii) *Global Med Technologies, Inc. (“Global Med”)*

下表乃購股權於截至二零零三年三月三十一日止年度及於該日之詳情：

REPORT OF THE DIRECTORS – continued

董事會報告書 – 續

DIRECTORS' INTERESTS IN SECURITIES – continued

董事於證券之權益 – 續

(2) Options – continued

(2) 購股權計劃 – 續

(iii) *Global Med Technologies, Inc. ("Global Med")* – continued

(iii) *Global Med Technologies, Inc. ("Global Med")* – 續

		購股權 Options	價格* Price* 美元 US\$
Outstanding, beginning of year	年初尚未行使	6,257,971	0.85
Granted	授出	2,827,500	0.58
Forfeited/cancelled	已沒收/註銷	(173,529)	1.31
Outstanding, end of year	年終尚未行使	<u>8,911,942</u>	<u>0.75</u>

There was no movement in options granted to the directors during the year.

年內授予董事之購股權並無任何變動。

The following table presents the composition of options outstanding and exercisable as of March 31, 2003:

下表呈列於二零零三年三月三十一日尚未行使及可予行使購股權之情況：

行使價範圍 Range of exercise price 美元 US\$	尚未行使購股權 Options Outstanding			可予行使購股權 Exercisable Options	
	款額 Amount	價格* Price* 美元 US\$	年期* Life*	款額 Amount	價格* Price* 美元 US\$
0.45-0.55	50,000	0.47	9.8	-	-
0.56-1.00	8,050,498	0.65	7.2	2,647,165	0.72
1.03-1.50	265,000	1.16	5.2	211,000	1.13
1.51-2.00	322,194	1.78	4.7	322,194	1.78
2.45-3.00	210,750	2.51	4.3	210,750	2.51
3.75	13,500	3.75	3.3	13,500	3.75
總計 Total	<u>8,911,942</u>	<u>0.75</u>	<u>6.9</u>	<u>3,404,609</u>	<u>0.97</u>

* Price and life reflect the weighted average exercise price and weighted average remaining contractual life, respectively.

* 價格及年期分別指加權平均行使價及加權平均尚餘契約期。

The fair value of the options in Global Med granted during the year is not disclosed as in the opinion of the directors, certain assumptions needed to derive the fair value using the Black-Scholes option pricing model cannot be reasonably determined.

董事認為，由於未能合理釐訂若干採用柏力克－舒爾斯期權訂價模式計算公平值所需之假設，故並無披露年內授出之Global Med購股權公平值。

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries 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 neither the directors nor the chief executives, nor any of 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 rights during the year.

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，可使本公司董事藉收購本公司或任何其他法人團體之股份或債券而獲利，董事或主要行政人員或任何彼等之配偶或18歲以下之子女概無任何權利認購本公司證券，年內亦無行使任何該等權利。

DIRECTORS' SERVICE CONTRACTS

董事之服務合約

(i) On November 9, 1998, a service contract (“Service Contract”) was entered into between the Company and Mr. Chan, for a term of five years expiring on January 31, 2002, terminable by Mr. Chan on 180 days’ notice. The terms of this Service Contract are deemed to have taken effect on February 1, 1997. On November 25, 2000, a supplementary agreement was entered into between the Company and Mr. Chan for the extension of the Service Contract for a period of three years expiring on January 31, 2005.

Commencing from February 1, 1998 and up to January 31, 2005, the Service Contract provides for the payment of a salary of the greater of (i) an annual salary equal to 5.9% of the net assets value of the Company shown in its consolidated audited accounts at each financial year end of the Company, and (ii) 101% of the basic salary for the period from February 1, 1997 to January 31, 1998. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month.

On August 22, 2003, Mr. Chan submitted a “Voluntary Undertaking to Reduce Basic Remuneration by Approximately 50% Effective August 1, 2003” (“Voluntary Reduction Undertaking”) to the directors of the Company. This Voluntary Reduction Undertaking, effective from August 1, 2003 through the remaining life of the Service Contract, voluntarily amends the Service Contract by placing additional limits on Mr. Chan’s remuneration, resulting in an immediate going-forward reduction of approximately 50% in basic salary remuneration, and requiring any additional remuneration to be subject to the Company’s profit before taxation as shown in its consolidated audited accounts at each financial year end of the Company. The Company will not be obligated to remunerate Mr. Chan any more than would be required under the Service Contract before this Voluntary Reduction Undertaking.

In the event that the Company should terminate Mr. Chan’s employment following the change of control of the Company, as defined in the Service Contract, or for any reasons not specifically excluded in the Service Contract, Mr. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the Service Contract on the date notice of termination is given.

(i) 於一九九八年十一月九日，本公司與陳先生訂立一份為期五年之服務合約（「服務合約」），於二零零二年一月三十一日屆滿，在陳先生發出180日通知之情況下，此服務合約可予終止。該份服務合約之條款被當作已於一九九七年二月一日生效。於二零零零年十一月二十五日，本公司與陳先生訂立一項補充協議，將服務合約延長三年，於二零零五年一月三十一日屆滿。

由一九九八年二月一日起至二零零五年一月三十一日止，服務合約規定須支付薪金之金額為下列較高者：(i)相等於本公司每個財政年度年結日之經審核綜合賬目所示本公司資產淨值5.9%之年薪；及(ii)於一九九七年二月一日至一九九八年一月三十一日期間基本薪金之101%。陳先生亦有權收取每月30,000港元之房屋津貼。

二零零三年八月二十二日，陳先生向本公司董事會呈交「自願承諾自二零零三年八月一日起減薪約50%」（「自願減薪承諾」）。此自願減薪承諾自二零零三年八月一日起生效，直至服務合約結束，就陳先生之薪酬作出額外限制，從而自願修訂服務合約，基本薪酬即時持續減低約50%，而任何額外薪酬須取決於每個財政年度年結日之本公司綜合經審核賬目所示除稅前溢利。本公司毋須就自願減薪承諾向陳先生支付多於服務合約規定之薪酬。

倘本公司因控制權轉變（定義見服務合約），或因服務合約並無特別訂明豁免之任何原因而終止僱用陳先生，則陳先生有權於接獲解僱通知當日收取一筆定額賠償，數額相當於本公司於服務合約餘下期間須付予陳先生之薪金總額。

DIRECTORS' SERVICE CONTRACTS – continued

董事之服務合約 – 續

(ii) A service contract (the "Service Contract with Mrs. Chan") was entered into between the Company and Mrs. Chan, for a term of five years commencing February 1, 1997, and expiring on February 1, 2002, terminable by Mrs. Chan on 180 days' notice. The Service Contract with Mrs. Chan provides for the payment of a basic salary of HK\$88,000 per month, together with an additional amount equal to one month's salary payable in February of each year. The basic salary is to be revised on an annual basis by not less than 10% per year. In addition to the basic salary, Mrs. Chan shall be entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that the Company should terminate Mrs. Chan's employment following a change of control of the Company as defined in the Service Contract with Mrs. Chan, or for any reasons not specifically excluded in the Service Contract with Mrs. Chan, Mrs. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the service contract with Mrs. Chan on the date notice of termination is given.

A supplementary agreement to the Service Contract with Mrs. Chan has been entered into between the Company and Mrs. Chan in substitution for various terms of the service contract with Mrs. Chan. The supplementary agreement provides for the payment of a salary of the greater of (i) an annual salary equal to 1% of the net assets value of the Company shown in its consolidated audited accounts at each financial year end of the Company, or (ii) 110% of the basic salary as mentioned in the Service Contract with Mrs. Chan with effect from February 1, 1998.

On April 22, 2002, a new service contract was entered into between the Company and Mrs. Chan, for a term of five years expiring on February 1, 2007. The terms of this service contract are deemed to have taken effect on February 1, 2002. The contract provides for the payment of a salary terms same as the supplementary agreement. In addition, Mrs. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that the Company should terminate Mrs. Chan's employment following the change of control of the Company, as defined in the service contract, or for any reasons not specifically excluded in the service contract, Mrs. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the service contract on the date on which notice of termination is given.

Other than as disclosed above, none of the directors 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.

(ii) 本公司與陳女士訂有服務合約（「與陳女士之服務合約」），由一九九七年二月一日起為期五年，於二零零二年二月一日屆滿，在陳女士發出180日通知之情況下，此服務合約可予終止。與陳女士之服務合約規定每月須支付88,000港元之基本薪金，另於每年二月支付一筆相等於一個月薪金之額外款項。基本薪金將每年須調整，惟每年加薪幅度不得少於10%。除基本薪金外，陳女士亦有權收取每月30,000港元之房屋津貼。倘本公司因控制權轉變（定義見與陳女士之服務合約），或因與陳女士之服務合約並無特別訂明豁免之任何原因而終止僱用陳女士，則陳女士有權於接獲解僱通知當日收取一筆定額賠償，數額相當於本公司於與陳女士之服務合約餘下期間須付予陳女士之薪金總額。

本公司已就與陳女士之服務合約，與陳女士訂立一份補充協議，以代替與陳女士之服務合約多項條款。該份補充協議規定須支付薪金之金額為下列較高者：(i)相等於本公司每個財政年度年結日之經審核綜合賬目所示本公司之資產淨值1%之年薪；或(ii)於一九九八年二月一日生效之與陳女士之服務合約所述基本薪金之110%。

本公司與陳女士於二零零二年四月二十二日訂立一份為期五年之新服務合約，將於二零零七年二月一日屆滿。此服務合約之條款被視為於二零零二年二月一日生效。該合約所規定之薪金條款與補充協議一致。此外，陳女士亦有權收取每月30,000港元之房屋津貼。倘本公司因控制權轉變（定義見服務合約），或因服務合約並無特別訂明豁免之任何原因而終止僱用陳女士，則陳女士有權於接獲解僱通知當日收取一筆定額賠償，數額相當於本公司於與陳女士之服務合約餘下期間須付予陳女士之薪金總額。

除上文所披露者外，概無任何董事與本公司訂立任何本公司不可於一年內毋須作出賠償（法定賠償除外）而終止之服務合約。

REPORT OF THE DIRECTORS – continued

董事會報告書 – 續

DIRECTORS' INTERESTS IN CONTRACTS

Other than certain transactions as disclosed in the section headed "Connected Transactions" below and note 43 to the financial statements, no other contract of significance to which the Company or any of its subsidiaries 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.

董事於合約之權益

除下文「關連交易」一節及財務報表附註43所披露之若干交易外，本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益且於年終或年內任何時間仍然生效之重要合約。

CONNECTED TRANSACTIONS

On May 27, 2002, a subscription agreement was entered into with Prime Star Group Co. Ltd., a company beneficially wholly-owned by Mrs. Chan, a director of the Company, to subscribe for an aggregate of 80,000,000 new ordinary shares of the Company of HK\$0.25 each at a subscription price of HK\$0.25 per share. Details of the transaction are set out in note 26 to the financial statements.

關連交易

於二零零二年五月二十七日，本公司與本公司董事陳女士全資實益擁有之Prime Star Group Co. Ltd.訂立認購協議，以認購價每股0.25港元認購本公司合共80,000,000股每股面值0.25港元之新普通股。有關交易詳情載於財務報表附註26。

On December 10, 2002, an agreement was entered into between the Company and Mr. Chan, a director of the Company, pursuant to which the Company agreed to purchase 645,934 shares (representing 39.51% of the issued capital owned by Mr. Chan) of American Pacific Bank ("AP Bank"), and 1,050,000 warrants of AP Bank for a total consideration of HK\$134,000,000. A summary of the terms of the agreement is set out in a circular of the Company dated April 17, 2003. The transaction was approved by the independent shareholders in the extraordinary general meeting on May 9, 2003 but subject to the approval by relevant government and regulatory authorities in the United States of America.

於二零零二年十二月十日，本公司與本公司董事陳先生訂立協議，據此，本公司同意以總代價134,000,000港元購入American Pacific Bank（「AP Bank」）645,934股（相當於陳先生擁有之已發行股本39.51%）及1,050,000份認股權證。協議條款概要載於本公司日期為二零零三年四月十七日之通函。交易已於二零零三年五月九日舉行之股東特別大會獲獨立股東批准，惟有待美國有關政府及監管機構批准。

SUBSTANTIAL SHAREHOLDERS

As at March 31, 2003, according to the register of interest kept by the Company under Section 16(1) of the SDI Ordinance, the persons who were interested in 10% or more in the issued share capital of the Company are as follows:

主要股東

於二零零三年三月三十一日，按本公司根據披露權益條例第16(1)條所存置之權益登記冊所示，以下人士擁有本公司已發行股本10%或以上權益：

名稱
Name

所持股份數目
Number of shares held

百分比
%

Prime Star Group Co. Ltd.

321,260,000

21.59

Save as disclosed above, as at March 31, 2003, no person other than the directors of the Company whose interests are set out in the section headed "Directors' interest in securities" above, had registered an interest of 10% or more in the issued share capital of the Company that was required to be recorded in the register of interest pursuant to Section 16(1) of the SDI Ordinance.

除上文所披露者外，於二零零三年三月三十一日，除上文「董事於證券之權益」一節所載本公司董事擁有之權益外，概無人士於本公司根據披露權益條例第16(1)條存置之權益登記冊所記錄擁有本公司已發行股本10%或以上權益。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended March 31, 2003, the aggregate amount of turnover and purchases attributable to the Group's five largest customers and suppliers respectively accounted for less than 30% of the Group's total turnover and purchases.

主要客戶及供應商

截至二零零三年三月三十一日止年度，本集團五大客戶及供應商分別佔本集團營業總額及採購總額不足30%。

REPORT OF THE DIRECTORS – continued

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.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 44 to the financial statements.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended March 31, 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

CHAN TONG WAN
MANAGING DIRECTOR

August 25, 2003

董事會報告書 – 續

購回、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購回、出售或贖回本公司任何上市證券。

結算日後事項

於結算日後之重大事項詳情載於財務報表附註 44。

公司管治

董事認為，本公司於截至二零零三年三月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則附錄14所載最佳應用守則。

核數師

將於股東週年大會提呈有關再度委聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

董事總經理
陳統運

二零零三年八月二十五日