

董事會報告書**REPORT OF THE DIRECTORS**

董事會茲將截至二零零三年六月三十日止年度之報告書及已審核賬目送呈各股東省覽。

主要業務

本公司主要業務為投資控股。各附屬公司主要業務詳情載於賬目附註第16項內。

本集團各項主要業務及經營地區之營業額及除稅前溢利之貢獻載於賬目附註5。

業績及股息

本集團截至二零零三年六月三十日止年度之業績詳列於第28頁之綜合收益表內。

董事會不建議派發股息。

五年財務概要

本集團最近五年之業績、資產及負債概要詳列於第2頁及第3頁內。

股本

股本之變動詳情載於賬目附註第20項。

儲備

本公司及本集團於本年度內之儲備變動詳情列於賬目附註第21項內。

依據香港公司條例第79B條之規定計算，本公司截至二零零三年六月三十日可分派儲備為港幣177,321,000元(2002：港幣202,778,000元)。

The Directors submit to the shareholders their report together with the audited financial statements for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company. Principal activities of the subsidiaries are set out in note 16 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2003 are set out in the consolidated income statement on page 28.

The Directors do not recommend the payment of a dividend.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on pages 2 and 3.

SHARE CAPITAL

Details of the movements in share capital are set out in note 20 to the financial statements.

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in note 21 to the financial statements.

Distributable reserves of the Company at 30 June 2003, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$177,321,000 (2002: HK\$202,778,000).

固定資產

固定資產之變動詳情刊載於賬目附註第12項內。

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 12 to the financial statements.

物業

本集團於物業權益之詳情刊載於第100頁至第104頁內。

PROPERTIES

Details of the Group's interest in properties are set out on pages 100 to 104.

銀行貸款、透支及其他借貸

本集團於二零零三年六月三十日之銀行貸款、透支及其他借貸如下：

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The amounts of bank loans, overdrafts and other borrowings of the Group at 30 June 2003 were as follows:

集團

Group

港幣千元

HK\$'000

銀行透支	Bank overdrafts	536
長期銀行貸款	Long term bank loans	288,100
有關連公司墊款	Advances from a related company	209,924
		<u>498,560</u>
償還期分析：	Repayment analysis:	
長期銀行貸款	Long term bank loans	
— 少於一年	— within one year	28,000
— 在第二年	— in the second year	—
— 在第三至第五年	— in the third to fifth years inclusive	260,100
		<u>288,100</u>
銀行透支	Bank overdrafts	
— 少於一年	— not exceeding one year	536
有關連公司墊款	Advances from a related company	
— 無固定還款期	— no fixed repayment terms	209,924
		<u>498,560</u>

董事會報告書**REPORT OF THE DIRECTORS**

本集團之負債與資產比率大約為62% (2002: 57%)，以銀行貸款、透支及其他借貸除以集團資產淨值計算。銀行貸款、透支及董事通過一關連公司之墊款與集團之財務債項比率分別為58% (二零零二年: 57%) 及42% (二零零二年: 43%)。

截至二零零三年六月三十日，本集團大部份之現金及銀行存款、銀行貸款、透支及其他借貸為港幣。

年內，為增強本集團之財政狀況，本公司以每股港幣0.011元之價值發行二十四億二千五百萬供股股份。所得的淨收益約港幣二千六百萬已用作減少本集團負債及為趙苑及寶豐台建築項目提供資金。

董事

本年度內及截至本報告刊發日期，本公司之董事為：

趙世曾先生
鄧永康先生
胡永傑先生
謝立忠先生
何秀芬小姐

趙世曾先生及謝立忠先生須於股東週年大會上輪值引退，唯如再度當選則願意連任。

本公司並無與任何董事簽訂不可於一年內終止及需予賠償條款之服務合約。

The Group's debt to equity ratio was approximately 62% (2002: 57%) expressed as a percentage of bank loans, overdrafts and other borrowings over net assets of the Group. The ratio of bank loans and overdrafts and director's advances through a related company over the Group's financial debts is 58% (2002: 57%) and 42% (2002: 43%) respectively.

Most of the Group's cash and bank balances, bank loans, overdrafts and other borrowings were denominated in Hong Kong dollar as at 30 June 2003.

During the year, in order to further strengthen the Group's financial position, the Company issued 2,425 million shares by way of a rights issue at a price of HK\$0.011 per share. Net proceeds raised of approximately HK\$26 million were used for the reduction of indebtedness of the Group and funding the construction cost by the projects at Villa Cecil and Blossom Terrace.

DIRECTORS

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

Cecil Sze-Tsung Chao
Wing-Hong Tang
Wing-Kit Wu
Lap-Chung Tse
Connie Sau-Fun Ho

Mr. Cecil Chao Sze Tsung and Mr. Tse Lap Chung will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

董事及最高行政人員股份權益或股份及相關股份的淡倉

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

於二零零三年六月三十日，根據證券及期貨條例第352條所需存放之登記冊之紀錄，本公司之董事及最高行政人員擁有本公司或其任何相關法團的股本權益（在證券及期貨條例（「證券及期貨條例」）第XV部制定的定義範圍內及依據證券及期貨條例第XV部第七及第八分部需通知本公司及聯交所）如下：

At 30 June 2003, the interests of the Directors and Chief Executive in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO were as follows:

普通股每股港幣0.1元

Ordinary shares of HK\$0.1 each

姓名	Name	個人權益	法團權益
		Personal interests	Corporate interests
趙世曾	Cecil Sze-Tsung Chao	12,834,433	37,207,487

附註：趙世曾先生於上表所披露之「法團權益」即本公司之主要股東欣然有限公司所持之股份。

Note: The shareholdings disclosed by Mr. Cecil Sze-Tsung Chao under the heading "Corporate Interest" in the above represents the shares held by Yan Yin Company Limited, a substantial shareholder of the Company.

本公司並無授予本公司董事、最高行政人員或其聯繫人等任何可認購本公司股份之權利。

The Company did not grant to the Directors, Chief Executive or their associates any right to subscribe for shares in the Company.

於二零零三年六月三十日，除上述外，各董事及其聯繫人等並無擁有本公司或其附屬公司之股份。

Apart from the above, none of the Directors or their associates had any interest in any shares of the Company or its subsidiaries as at 30 June 2003.

於本年度內，本公司、附屬公司、同母系附屬公司或其母公司並無參與任何協議使本公司董事可購買本公司或其他公司之股份或債券並從中得到利益。

At no time during the year was the Company, any of its subsidiaries, its fellow subsidiaries or its 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.

董事會報告書**REPORT OF THE DIRECTORS****依據證券及期貨條例需披露之權益及主要股東**

於二零零三年六月三十日，證券及期貨條例第336條需存放之登記冊之紀錄，除以上披露之董事及最高行政人員權益外，顯示本公司並未獲悉任何人士持有本公司已發行股本百分之五或以上之主要權益。

購買、出售或贖回上市股份

於本年度內本公司並無贖回任何本公司之股份，本公司或其附屬公司亦無購入或出售本公司之股份。

董事合約權益

除賬目附註第28項內所述之董事合約權益以外，胡永傑先生及謝立忠先生均為簡家驄律師行之合夥人，該律師行一直為本集團提供法律服務且就該等服務收取一般專業費用。

除上述交易外，於本年度內及年度終結時各董事均未在任何與本公司、附屬公司、同母系附屬公司及控股公司所簽訂並與本公司業務有關之重大合約交易中擁有直接或間接之利益。

關連交易

關連交易之主要詳細資料載於賬目附註第28項內及上述之董事合約權益中。

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

At 30 June 2003, the register of interests in shares maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interests, being 5% or more of the Company's issued share capital, other than those of the Directors and Chief Executive as disclosed above.

PURCHASE, SALE OF REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS' INTERESTS IN CONTRACTS

In addition to the directors' interests in contracts set out in note 28 to the financial statements, Messrs. Wing-Kit Wu and Lap-Chung Tse are partners of Messrs. Fred Kan & Co., a firm of solicitors which provides legal services to the Group on a continuing basis on normal commercial terms.

Apart from the above, no other contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its 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.

CONNECTED TRANSACTIONS

Details of connected transactions are set out in note 28 to the financial statements and in the above under Directors' interest in contracts.

管理合約

於本年度內本公司並無訂立或存在任何有關本公司全部或其中任何主要部份業務之管理及行政之合約。

主要客戶及供應商

在本年度內，本集團之五大供應商及最大供應商佔本集團之採購額分別達百分之八十及百分之五十一。

在本年度內，本集團之五大顧客及最大顧客佔本集團之營業額分別達百分之七十八及百分之四十七。

在本集團之五大供應商及五大客戶中，趙世曾建築師有限公司佔本公司總採購額百分之十四。

除以上所述上，於二零零三年六月三十日，並無本公司董事、其關連人士或任何股東(就董事所知擁有本公司股本超過百分之五者)在本公司五大客戶及五大供應商中擁有任何實益權益。

董事及高層管理人員個人資料

本集團各董事及高層管理人員之簡短個人資料載於第11頁至第12頁內。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers and the largest supplier of the Group accounted for 80% and 51% respectively of the Group's total purchases.

During the year, the five largest customers and the largest customer of the Group accounted for 78% and 47% respectively of the Group's total turnover.

Among the Group's five largest suppliers, CCAL contributed to 14% of the Group's total purchases.

Save as aforesaid, at 30 June 2003, none of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any beneficial interests in the Group's five largest customers and suppliers.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details in respect of the Directors and senior management of the Group are set out on pages 11 to 12.

董事會報告書**REPORT OF THE DIRECTORS****執行上市規則之最佳應用手則**

年內，本公司已依據並遵守香港聯合交易所有限公司上市規則附錄十四之最佳應用手則，除本公司之獨立非執行董事因須依據本公司之公司組織章程細則第94條及103條之規定在股東週年常會上輪值告退及重選而並無指定任期外。

審核委員會

審核委員會與管理層已審閱本集團所採納之會計原則及慣例，並討論了審計、內部控制及財務申報事項，包括審閱截至二零零三年六月三十日止年度之經審核財務報告。

員工

截至二零零三年六月三十日止，本集團共僱用24名員工，其薪酬一般是逐年檢討。本集團亦為員工提供其他福利，其中包括年終雙糧及為退休計劃供款。

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

During the year, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, except that the independent non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with Articles 94 and 103 of the Company's Articles of Association.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the audited financial statements for the year ended 30 June 2003.

STAFF

As at 30 June 2003, the Group employed 24 staff. Staff remuneration packages are normally reviewed annually. The Group also provides other staff benefits, which include year end double pay and contributions to defined contribution retirement schemes.

核數師

摩斯倫會計師事務所已於二零零三年四月十六日被委任為本公司之核數師，接替已辭任的羅兵咸永道會計師事務所。

摩斯倫會計師事務所任期即將屆滿，並願意在即將召開之股東周年大會上備聘再任。

承董事會命
執行主席
趙世曾

香港，二零零三年九月二十五日

AUDITORS

Moores Rowland were appointed as auditors of the Company on 16 April 2003 upon resignation of PricewaterhouseCoopers.

Moores Rowland will retire and, being eligible, will offer themselves for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board
Cecil Chao
Executive Chairman

Hong Kong, 25 September 2003