



The Directors have pleasure in presenting to the shareholders their annual report together with the audited financial statements of the Company and of the Group for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing and corporate finance advisory services. Particulars of the principal subsidiaries of the Company are set out in note 14 to the financial statements.

RESULTS

The results of the Group for the year ended 31 March 2004 are set out in the consolidated income statement on page 27 of the Annual Report.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 March 2004 is set out on page 69 of the Annual Report.

FIXED ASSETS

Movements in the fixed assets of the Group during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in note 22 to the financial statements.

RESERVES

Movements in the reserves of the Company and of the Group during the year are set out in note 23 to the financial statements and the consolidated statement of changes in equity respectively.

董事欣然提呈本公司及本集團截至二零零四年三月三十一日止年度之年報及經審核財務報表予各股東省覽。

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、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣、證券保證金融資及企業融資顧問服務。本公司主要附屬公司之詳情詳列於財務報表附註第14項內。

業績

本集團截至二零零四年三月三十一日止年度之業績詳列於本年報第27頁之綜合損益計數表。

五年財務概要

本集團截至二零零四年三月三十一日止過去五個財政年度之業績概要詳列於本年報第69頁。

固定資產

本集團於年度內固定資產之變動詳列於財務報表附註第12項內。

股本

本公司於年度內股本之變動詳列於財務報表附註第22項內。

儲備

本公司及本集團於年度內儲備之變動詳列於財務報表附註第23項及綜合權益變動表內。



DISTRIBUTABLE RESERVES

At 31 March 2004, the Company had no reserves available for distribution to the shareholders.

DIRECTORS

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

Executive Directors:

Mr. Lam Kwok Hing (*Chairman*)

Mr. Nam Kwok Lun (*Deputy Chairman and Managing Director*)

Independent Non-executive Directors:

Mr. Ng Chi Kin David

Mr. Chen Wei-Ming Eric

In accordance with the Company's Bye-laws, Mr. Ng Chi Kin David retires from office and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical information of the Directors of the Company and the senior management of the Group are set out on pages 13 to 16 of the Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a "three-year" term commencing from 1 September 2000 which is not determinable within one year without payment of compensation. These service contracts shall continue thereafter unless and until terminated by either party with not less than three months' prior written notice.

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

可供分派儲備

於二零零四年三月三十一日，本公司並無可供分派予各股東之儲備。

董事

年度內及截至本年報日期，本公司之董事如下：

執行董事：

藍國慶先生 (主席)

藍國倫先生 (副主席兼董事總經理)

獨立非執行董事：

伍志堅先生

陳偉明先生

根據本公司之公司細則，伍志堅先生須遵照本公司之公司細則於即將召開之股東週年大會退任，惟符合資格於大會上膺選連任。

董事及高級管理層簡歷

本公司董事及本集團高級管理層之簡歷詳列於本年報第13至16頁。

董事之服務合約

各執行董事均與本公司訂立不得於一年內免付賠償予以終止之服務合約，合約期由二零零零年九月一日起計，為期三年。該等服務合約將於其後繼續生效直至及除非任何一方發出不少於三個月之書面通知予以終止。

將於應屆股東週年大會上膺選連任之董事，概無與本集團任何成員公司訂立不可於一年內終止而毋須作出補償(法定補償除外)之服務合約。



DIRECTORS' INTERESTS IN SHARES

At 31 March 2004, the interests of the Directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

1. Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of Director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本 百分比
Mr. Lam Kwok Hing (Note) 藍國慶先生 (註)	Interest of controlled corporation 受控制法團之權益	311,718,000	67.76%
Mr. Nam Kwok Lun (Note) 藍國倫先生 (註)	Interest of controlled corporation 受控制法團之權益	311,718,000	67.76%

Note: The shares are registered in the name of and beneficially owned by J&A Investment Limited ("J&A"), a company incorporated in the British Virgin Islands. The entire issued share capital of J&A is beneficially owned as to 80% by Mr. Lam Kwok Hing and 20% by Mr. Nam Kwok Lun.

董事於股份之權益

於二零零四年三月三十一日，根據證券及期貨條例第352條之登記冊，及根據聯交所證券上市規則（「上市規則」）所載上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所，董事及彼等之聯繫人於本公司及其聯營公司之股本權益如下：

1. 於本公司每股面值0.10港元普通股之長倉

註：上述股份由J&A Investment Limited（「J&A」），一間於英屬處女群島註冊成立之公司實益擁有，並以其名義登記。而J&A之全部已發行股本則由藍國慶先生及藍國倫先生分別實益擁有80%及20%之權益。



DIRECTORS' INTERESTS IN SHARES (Continued)

2. Share options

Name of Director 董事姓名	Capacity 身份
Mr. Lam Kwok Hing 藍國慶先生	Beneficial owner 實益擁有人
Mr. Nam Kwok Lun 藍國倫先生	Beneficial owner 實益擁有人

3. Ordinary shares in subsidiaries which are wholly-owned

One of the Directors has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, at 31 March 2004, none of the Directors of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme adopted by the written resolution of the sole shareholder of the Company dated 16 August 2000 (the "Share Option Scheme") together with the details of movements in the share options to subscribe for shares of HK\$0.10 each in the Company are set out in note 27 to the financial statements.

董事於股份之權益 (續)

2. 認股權

Number of shares options held 所持認股權數目	Number of underlying shares 所持相關 股份數目
10,500,000	10,500,000
10,500,000	10,500,000
<u>21,000,000</u>	<u>21,000,000</u>

3. 全資附屬公司的普通股

一名董事於若干附屬公司為本公司利益(僅於符合最低公司股東規定而言)持有非實益個人股權。

除上文披露者外，於二零零四年三月三十一日，概無本公司董事或其聯繫人於本公司或其任何相關法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債券中擁有須根據證券及期貨條例第352條須記入該條文規定存置的登記內的任何權益或淡倉，或根據標準守則須以其他方式知會本公司及聯交所的任何權益或淡倉。

認股權計劃

有關本公司唯一股東於二零零零年八月十六日通過書面決議批准之認股權計劃(「認股權計劃」)，連同有關可認購本公司每股面值0.10港元股份之認股權之變動詳情，均載於財務報表附註第27項內。



DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as the share options granted to the Directors under the Share Option Scheme as described in note 27 to the financial statements, 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 securities of the Company, or had exercised any such rights during the year.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

- (1) On 6 February 2004, Karfun Investments Limited ("Karfun"), a wholly-owned subsidiary of the Company, entered into a conditional subscription agreement with ATNT, a company in which Mr. Lam Kwok Hing has a beneficial interest and Messrs. Lam Kwok Hing and Ng Chi Kin David are also directors, in relation to the subscription of a convertible note in principal amount of HK\$30,000,000 to be issued by ATNT. The subscription constituted a discloseable and connected transaction under the Listing Rules and was approved by the independent shareholders of the Company at a special general meeting on 23 March 2004.
- (2) During the year, Karl-Thomson Securities Company Limited, a wholly-owned subsidiary of the Company, made advances to LuckySurfAsia.com Inc. and its subsidiaries (collectively "LuckySurf Group"). LuckySurfAsia.com Inc. is a 57.14% owned subsidiary of the Company. The other shareholders of LuckySurfAsia.com Inc. are not connected persons of the Company other than by virtue of their holdings in that company. The purpose of the advances is to finance the operations of LuckySurf Group. The advances are unsecured, non-interest bearing and have no fixed repayment term. At 31 March 2004, the total amount due from LuckySurf Group was approximately HK\$273,000.
- (3) During the year, the Group received commission income from securities dealing of approximately HK\$2,000 and HK\$95,000 from the Director, Mr Lam Kwok Hing and the associates of Messrs. Lam Kwok Hing and Nam Kwok Lun respectively.

董事收購股份或債券之權利

年度內，除財務報表附註第27項所述根據認股權計劃授予董事認股權外，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，概無訂立任何安排，以致本公司董事可透過收購本公司或任何其他法人團體之股份或債券而獲得任何利益，且董事、彼等之配偶或18歲以下之子女概無擁有可認購本公司證券之任何權利，或於本年度內行使任何有關權利。

關連交易及董事之合約權益

- (1) 於二零零四年二月六日，本公司之一間全資附屬公司佳帆投資有限公司（「佳帆」）與亞洲聯網（藍國慶先生實益擁有其權益，而藍國慶先生及伍志堅先生皆為其董事）簽定一份將由亞洲聯網發行代價為30,000,000港元之可換股票據予佳帆之有條件性認購協議。根據上市規則，此認購構成一項須予披露關連交易，並於二零零四年三月二十三日舉行之股東特別大會上由獨立股東一致通過。
- (2) 年度內，本公司之一間全資附屬公司高信證券有限公司，給予LuckySurfAsia.com Inc.及其附屬公司（統稱「LuckySurf集團」）墊款。LuckySurfAsia.com Inc.為本公司擁有其57.14%權益之附屬公司。LuckySurfAsia.com Inc.之其他股東，除彼等於LuckySurfAsia.com Inc.之控股權外，均非本公司之關連人士。該筆墊款目的是用作LuckySurf集團之營運資金。該筆墊款為無抵押、免息及並無固定還款期。於二零零四年三月三十一日，LuckySurf集團須償還之款項合共約273,000港元。
- (3) 年度內，本集團就證券買賣而分別向董事藍國慶先生及藍國慶先生與藍國倫先生彼等之聯繫人收取佣金約2,000港元及95,000港元。



- (4) During the year, the Group received interest income from securities margin financing of approximately HK\$91,000 from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (5) During the year, the Group received management fee of approximately HK\$300,000 and rental of approximately HK\$144,000 from Karl Thomson Financial Advisory Limited, a 51% owned subsidiary of the Company. The remaining shareholder is not a connected person of the Company.

- (4) 年度內，本集團就證券保證金融資而分別向董事藍國慶先生與藍國倫先生彼等之聯繫人收取利息約91,000港元。
- (5) 年度內，本集團向高信融資服務有限公司（本公司擁有其51%權益之附屬公司，餘下股東非本公司之關連人士）收取管理費用約300,000港元及租金約144,000港元。

Save as disclosed above, there were no other material transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules, and no contract 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.

除上述披露者外，於本年度結束時或年度內任何時間，並無其他重大交易需要根據上市規則之規定，作為關連交易般予以披露之交易，且本公司、其最終控股公司或其最終控股公司之任何附屬公司，並無訂立任何重大合約（本公司董事直接或間接擁有其重大權益）。

SUBSTANTIAL SHAREHOLDERS

At 31 March 2004, according to the register maintained by the Company pursuant to Section 336 of the SFO and so far as was known to the Directors, the following shareholder was interested in 5% or more of the Company's issued share capital:

主要股東

根據本公司按證券及期貨條例第336條而須保存之主要股東登記冊所載，以及就董事所知，於二零零四年三月三十一日，下列人士擁有本公司已發行股本5%或以上權益：

Long positions in the ordinary shares of HK\$0.10 each of the Company.

於本公司每股面值0.10港元普通股之長倉。

Name of shareholder 股東名稱	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the share capital of the Company 佔本公司股本百分比
J&A	Interest of controlled corporation 受控制法團之權益	311,718,000	67.76%

Save as disclosed above, at 31 March 2004, there is no person known to any Director or chief executive of the Company, who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of any member of the Company.

除上述披露者外，於二零零四年三月三十一日，就董事或本公司主要行政人員所知，概無其他人士直接或間接實益擁有在本公司任何成員之公司股東大會上，有權於任何情況下投票之任何類別股本或有關該股本之任何購股權面值5%或以上之權益。



PRE-EMPTIVE RIGHTS

There is no provision 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.

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits schemes are set out in note 28 to the financial statements.

COMPETING INTERESTS

During the year, none of the Directors or the management shareholders of the Company (as defined in the Listing Rules) had an interest in a business that competed with the Group or might compete with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2004, less than 30% of the Group's sales were attributable to the Group's five largest customers.

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 March 2004, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

To comply with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, the Company set up an audit committee for the purpose of reviewing and providing supervision of the financial reporting process and internal control system of the Group. The audit committee comprises the two Independent Non-executive Directors. During the year, the audit committee has met twice for the purpose of reviewing the Group's interim and final results.

優先購買權

根據本公司之公司細則或百慕達法例，概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

退休福利計劃

本集團之退休福利計劃詳情，載於財務報表附註第28項內。

權益競爭

年度內，董事或本公司之管理層股東(定義見上市規則)，概無於與本集團之業務構成或可能構成競爭之業務中，擁有任何權益。

主要客戶及供應商

截至二零零四年三月三十一日止年度，本集團之五大客戶共佔本集團營業額不足30%。

由於本集團之主要業務性質使然，本集團並無主要供應商。

購入、贖回或售出股份

截至二零零四年三月三十一日止年度內，本公司或其任何附屬公司概無購入、贖回或售出本公司任何上市證券。

審計委員會

為遵守上市規則附錄十四所載之最佳應用守則(「守則」)，本公司成立審計委員會，其主要職責為檢討及監督本集團之財務申報程序及內部監控系統。審計委員會由兩名獨立非執行董事組成。年度內，審計委員會已召開兩次會議，以審閱本集團之中期及末期業績報告。



COMPLIANCE WITH THE CODE

The Company has complied throughout the year ended 31 March 2004 with the Code as set out in Appendix 14 of the Listing Rules, except that the Independent Non-executive Directors were not appointed for a specific term as required by paragraph 7 of the Code, but are subjected to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

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.

By Order of the Board

LAM KWOK HING

Chairman

Hong Kong, 19 July 2004

最佳應用守則

本公司於截至二零零四年三月三十一日止整個年度一直遵守上市規則附錄十四所載之守則。惟本公司之獨立非執行董事並無按該守則第7段所述有指定任期，而乃根據本公司細則之規定輪流退任及於本公司之股東週年大會上膺選連任。

核數師

本公司應屆股東週年大會將提呈決議案，以續聘德勤•關黃陳方會計師行為本公司核數師。

承董事會命

藍國慶

主席

香港，二零零四年七月十九日