

The directors herein present their annual report and the audited financial statements of the Company and the Group for the year ended 31 March 2000.

## Principal Activities

The Group's principal activities during the year consisted of the production, dyeing and sale of knitted fabric and yarn, the retailing and distribution of casual apparel and accessories, the provision of repair and maintenance services for motors and generators, the trading of generators and the provision of franchise services. There were no changes in the nature of the Group's principal activities during the year.

The principal activity of the Company is investment holding.

## Segmental Information

The Group's turnover and contribution to profit from operating activities are predominately derived from activities in the People's Republic of China, including Hong Kong.

董事會謹此呈奉本公司與本集團截至二零零零年三月三十一日止年度之年報及經審核財務報表，敬祈省覽。

## 主要業務

本年度本集團之主要業務包括針織布及棉紗之產銷及整染、便服及飾物之銷售、提供汽車及發電機之維修及保養服務、銷售發電機及提供特許經營服務。本集團之業務在本年度並無轉變。

本公司之主要業務為投資控股。

## 分類資料

本集團營業額及經常業務溢利貢獻主要源自中華人民共和國(包括香港)之業務。

An analysis of the Group's turnover and contribution to profit from operating activities by principal activity for the year ended 31 March 2000 is as follows:

截至二零零零年三月三十一日止年度，本集團主要業務之營業額及經常業務溢利貢獻分析如下：

		Turnover	Contribution to profit from operating activities
		營業額	經常業務溢利貢獻
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Production, dyeing and sale of knitted fabric	針織布之產銷及整染	1,605,758	244,186
Production, dyeing and sale of yarn	棉紗之產銷及整染	418,796	41,568
Retailing and distribution of casual apparel and accessories	便服及飾物之零售及經銷	1,030,751	34,272
Repair and maintenance services for motors and generators, and trading of generators	汽車及發電機之維修保養及銷售發電機	25,247	(2,952)
Franchise income	特許經營收入	12,232	3,807
		<u>3,092,784</u>	<u>320,881</u>

## Results and Dividends

The Group's profit for the year ended 31 March 2000 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 40 to 91.

An interim dividend of HK3.0 cents per share was paid on 10 February 2000. The directors recommend the payment of a final dividend of HK6.0 cents per share in respect of the year, to shareholders whose names appear on the register of members on 26 September 2000. This recommendation has been incorporated in the financial statements.

## 業績與股息

本集團於截至二零零零年三月三十一日止年度之溢利及本公司與本集團截至該日期之業務狀況列載於第40至91頁之財務報表。

中期股息每股港幣3.0仙已於二零零零年二月十日派發。董事會茲建議派發本年度末期股息每股港幣6.0仙予二零零零年九月二十六日名列股東名冊之股東，是項建議股息已列入財務報表。

## Summary Financial Information

The table below summarises the results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, restated for the prior year adjustment mentioned in note 9 to the financial statements and reclassified as appropriate.

## 財務資料概要

下表為本集團於過往五個財政年度之業績、資產與負債之概述，乃摘自已公佈之經審核財務報表，並按財務報表附註9往年度調整重新修訂及按需要重新分類。

RESULTS	業績	Year ended 31 March 截至三月三十一日止年度				
		2000 HK\$'000 港幣千元	1999 HK\$'000 港幣千元 (Restated) (經修訂)	1998 HK\$'000 港幣千元 (Restated) (經修訂)	1997 HK\$'000 港幣千元 (Restated) (經修訂)	1996 HK\$'000 港幣千元 (Restated) (經修訂)
TURNOVER	營業額	<b>3,092,784</b>	2,725,293	2,811,580	1,805,104	1,048,287
PROFIT FROM OPERATING ACTIVITIES	經常業務溢利	<b>320,881</b>	248,956	315,194	295,314	166,304
Share of profit of an associate	應佔聯營公司 溢利	<b>30,685</b>	12,382	6,823	—	—
Finance costs	財務費用	<b>(22,963)</b>	(51,327)	(62,037)	(32,708)	(25,385)
PROFIT BEFORE TAX Tax	除稅前溢利 稅項	<b>328,603</b> <b>(27,011)</b>	210,011 (19,414)	259,980 (25,804)	262,606 (17,685)	140,919 (4,092)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東 權益前溢利	<b>301,592</b>	190,597	234,176	244,921	136,827
Minority interests	少數股東權益	<b>—</b>	—	24,259	(623)	—
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔經常業務 溢利淨額	<b>301,592</b>	190,597	258,435	244,298	136,827

ASSETS AND LIABILITIES

資產與負債

As at 31 March  
於三月三十一日

		2000 HK\$'000 港幣千元	1999 HK\$'000 港幣千元 (Restated) (經修訂)	1998 HK\$'000 港幣千元 (Restated) (經修訂)	1997 HK\$'000 港幣千元 (Restated) (經修訂)	1996 HK\$'000 港幣千元 (Restated) (經修訂)
TOTAL ASSETS	資產總值	2,034,191	1,867,367	2,009,612	1,558,050	1,054,688
TOTAL LIABILITIES	負債總值	(723,284)	(753,238)	(1,020,387)	(741,685)	(571,559)
MINORITY INTERESTS	少數股東權益	(478)	2,522	2,600	(21,659)	(21,000)
NET ASSETS	資產淨值	<u>1,310,429</u>	<u>1,116,651</u>	<u>991,825</u>	<u>794,706</u>	<u>462,129</u>

## Fixed Assets and Investment Properties

Details of movements in the fixed assets and investment properties of the Group are set out in notes 13 and 14 to the financial statements, respectively.

## Subsidiaries and Associate

Particulars of the Company's principal subsidiaries and the Group's associate are set out in notes 27 and 17 to the financial statements, respectively.

## Bank Loans, Overdrafts and Other Borrowings

The amounts of bank loans, overdrafts and other borrowings of the Company and the Group at 31 March 2000 are set out in notes 21, 22 and 23 to the financial statements, respectively.

## 固定資產及投資物業

本集團之固定資產及投資物業變動情況分別列載於財務報表附註13及14。

## 附屬公司及聯營公司

本公司各主要附屬公司及本集團之聯營公司之詳情已分別列載於財務報表附註27及17。

## 銀行貸款、透支及其他借貸

本公司及本集團於二零零零年三月三十一日之銀行貸款、透支及其他借貸金額分別列載於財務報表附註21、22及23。

## Share Capital and Share Options

Details of movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in note 25 to the financial statements.

There are no provisions 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.

## Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 26 to the financial statements.

## Distributable Reserves

At 31 March 2000, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$426,283,000. In addition, the Company's share premium account, in the amount of HK\$316,772,000 may be distributed in the form of fully paid-up bonus shares.

## Major Customers and Suppliers

In the year under review, both purchases and sales from/to the five largest suppliers/customers accounted for less than 30% of the total purchases and sales for the year.

No directors, their associates, or shareholders which to the knowledge of the directors owned more than 5% of the Company's share capital, had any interest in the above five largest customers or suppliers.

## 股本及購股權

本公司於年內股本及購股權變動之詳情連同有關之原因列載於財務報表附註25。

根據本公司細則或百慕達法例，並無有關本公司須按比例向現有股東配售新股之優先購股權規定。

## 儲備

本公司及本集團於本年度內之儲備變動詳情列載於財務報表附註26。

## 可供分派儲備

於二零零零年三月三十一日，本公司可供作現金及／或實物分派之儲備為港幣426,283,000元。此外，本公司股本溢價賬港幣316,772,000元亦可以繳足紅股方式予以分派。

## 主要客戶及供應商

於本審核年度，五大供應商／客戶佔本年度總採購額／銷售額均不足30%。

各董事、彼等之聯繫人等或就董事會所知擁有本公司股本5%以上之股東並無擁有該五大客戶或供應商之任何權益。

## Directors

The directors of the Company during the year were:

### Executive Directors:

Poon Bun Chak  
Poon Kai Chak  
Poon Kei Chak  
Poon Kwan Chak  
Ting Kit Chung

### Independent Non-executive Directors:

Au Son Yiu  
Cheng Shu Wing

In accordance with the Company's Bye-laws, all existing directors will retire and, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

## Emoluments of directors and the five highest paid employees

Details of the directors' emoluments are set out in note 6 to the financial statements.

The five highest paid individuals employed by the Group during the year were all directors, details of whose remuneration are set out in note 6 to the financial statements.

## 董事

本年內本公司之董事如下：

### 執行董事

潘彬澤  
潘佳澤  
潘機澤  
潘鈞澤  
丁傑忠

### 獨立非執行董事

區燦耀  
鄭樹榮

根據本公司細則，所有現任董事將於即將舉行之股東週年大會上退任，惟彼等符合資格並願膺選連任。

## 董事酬金及最高薪酬之五位員工

董事酬金詳情已列載於財務報表附註6。

集團最高薪酬五位員工皆為董事，有關之薪酬詳情已列載於財務報表附註6。

## Employees

As at 31 March 2000, the Group had approximately 404 employees in Hong Kong, as well as 5,788 and 132 employees in the People's Republic of China ("PRC") and Taiwan, respectively. The Group remunerates its employees largely based on industrial practice.

## Pension Schemes and Costs

The Group had no pension arrangement for its employees during the year.

## Directors' Service Contracts

The service contracts entered into between the Company and each of the following directors may be terminable by either party by giving not less than three months' written notice or compensation in lieu.

Poon Bun Chak  
Poon Kai Chak  
Poon Kei Chak  
Poon Kwan Chak  
Ting Kit Chung

Save as disclosed above, no director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

## 僱員

於二零零零年三月三十一日，本集團於香港、中華人民共和國（「中國」）及台灣，分別僱有約404、5,788及132名僱員。本集團主要按有關行業標準釐定僱員酬金。

## 退休金計劃及費用

本集團於年內並沒有為僱員設立退休保障安排。

## 董事服務合約

本公司與下列各位董事簽訂之服務合約要求雙方於終止服務合約時，其中一方須給予三個月之書面通知或代通知補償。

潘彬澤  
潘佳澤  
潘機澤  
潘鈞澤  
丁傑忠

除上文所披露者外，本公司與建議在即將舉行之股東週年大會上重選連任之董事一概無簽訂本公司於一年內不作補償（法定賠償除外）則不可終止之服務合約。

## Directors' Interests in Contracts

Save as disclosed in note 32 to the financial statements, no director had a material interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

## Biographical Details of Directors and Senior Management

### Executive Directors

Mr. Poon Bun Chak, aged 52, is the Chairman and Managing Director overseeing the planning, organisation and development of the Group. He founded the Group in 1975 and has over 25 years' experience in the textile field.

Mr. Poon Kai Chak, aged 50, is a younger brother of Mr. Poon Bun Chak. He joined the Group in 1980 and has over 20 years' experience in the industry. He is responsible for the knitting operations of the Group.

Mr. Poon Kei Chak, aged 48, is a younger brother of Mr. Poon Bun Chak. He joined the Group on its establishment in 1975 and has over 25 years' experience in the field. He looks after the dyeing operations and assists in the overall management of the Group.

Mr. Poon Kwan Chak, aged 54, is the elder brother of Mr. Poon Bun Chak. He joined the Group in 1976 and has over 24 years' related experience. He is responsible for the Group's merchandising and sales management.

## 董事合約權益

除財務報表附註32披露者外，各董事於年內概無在本公司、其控股公司或附屬公司所簽訂之任何重要合約中佔有重大權益。

## 董事及高級管理人員履歷

### 執行董事

潘彬澤先生，五十二歲，主席兼董事總經理，負責監督本集團之規劃、組織及發展。彼於一九七五年創辦本集團，擁有逾二十五年紡織業經驗。

潘佳澤先生，五十歲，潘彬澤先生之胞弟。彼於一九八零年加入本集團，擁有逾二十年本行業經驗，負責管理本集團織布業務。

潘機澤先生，四十八歲，潘彬澤先生之胞弟。彼於一九七五年本集團創立時加入本集團，擁有逾二十五年紡織業經驗，負責管理整染業務及協助管理本集團一般業務。

潘鈞澤先生，五十四歲，潘彬澤先生之胞兄。彼於一九七六年加入本集團，擁有逾二十四年本業務經驗，負責管理採購及銷售業務。

## Directors' Interests in Contracts (continued)

Mr. Ting Kit Chung, aged 44, is responsible for the general administration and financial management of the Group. He joined the Group in 1991 and has over 12 years' banking experience. He holds a Bachelor of Arts degree from the University of Hong Kong.

## Independent Non-executive Directors

Mr. Au Son Yiu, aged 55, is a registered investment adviser and has extensive experience in the securities industry. He is a dealing director of Realink Securities Limited, a director of China Point Stock Brokers Limited and I & P Securities Limited, a consultant to Dao Heng Securities Limited, and a non-executive director for several public companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In addition, he is an ex-deputy chairman of the Hong Kong Securities Clearing Company Limited (1992-1994) and an ex-council member of the Stock Exchange (1988-1994).

Mr. Cheng Shu Wing, aged 50, is a director of Worldvest Capital Limited. He holds a Bachelor of Business Administration degree from the Chinese University of Hong Kong and has over 24 years' experience in the banking and securities industries in Hong Kong.

## 董事合約權益 (續)

丁傑忠先生，四十四歲，負責行政及財務管理。彼於一九九一年加入本集團，擁有逾十二年銀行業經驗。彼持有香港大學文學士學位。

## 獨立非執行董事

區燦耀先生，五十五歲，註冊投資顧問，有豐富證券業經驗。彼為匯訊數碼證券有限公司之交易董事，亦為中方證券有限公司、慶昌證券有限公司之董事及道亨證券有限公司之顧問，並擔任若干在香港聯合交易所有限公司（「聯交所」）上市之公眾公司非執行董事。此外，彼為香港中央結算有限公司（一九九二年至一九九四年）前任副主席與聯交所（一九八八年至一九九四年）前任理事。

鄭樹榮先生，五十歲，寶盛融資有限公司董事，彼持有香港中文大學工商管理學士學位。有逾二十四年香港銀行業及證券業經驗。

## Directors' Interests in Contracts (continued)

### Senior Management

Mr. Chan Min, aged 45, is a director of the Group's retail operations. He is a graduate of Hong Kong Polytechnic (now Hong Kong Polytechnic University) and is a member of the British Computer Society. Prior to joining the Group in 1996, Mr. Chan had over 14 years' experience as a business and management information consultant in retail business.

Mr. Chan Chi Hon, aged 38, joined the Group in 1997 and is the Group's Financial Controller and Company Secretary. Mr. Chan holds a Master degree in Commerce from the University of New South Wales, Australia, and is a fellow member of the Hong Kong Society of Accountants and a certified practising accountant of the CPA Australia. He has over 13 years' experience in auditing and accounting.

Mr. Chau Kuen Kai, aged 42, is a factory manager of the knitting operations of the Group. He joined the Group in 1979 and has over 20 years' experience in the knitting industry.

Mr. Fung Wai Lun, aged 43, is a director of the Group's retail operations. Before joining the Group in 1996, Mr. Fung had over 21 years' experience in the retailing industry.

Mr. Hon Siu Kit, aged 40, is a sales director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1993 and has over 22 years' experience in the textile industry.

## 董事合約權益 (續)

### 高級管理人員

陳勉先生，四十五歲，本集團零售業務之董事。彼於香港理工學院(現稱香港理工大學)畢業，為英國電腦學會會員。於一九九六年加入本集團前，陳先生曾從事零售業之業務及資訊顧問超過十四年。

陳志漢先生，三十八歲，本集團財務總監兼公司秘書。彼於一九九七年加入本集團。彼持有澳洲新南威爾斯大學商科碩士學位，並為香港會計師公會及澳洲會計師公會會員，具有超過十三年的核數與會計經驗。

周權佳先生，四十二歲，本集團針織業務工廠經理。彼於一九七九年加入本集團，擁有超過二十年針織業經驗。

封偉倫先生，四十三歲，本集團零售業務董事。於一九九六年加入本集團之前，已具有超過二十一年零售業經驗。

韓少傑先生，四十歲，本集團從事針織布銷售之永佳染廠有限公司營業董事。彼於一九九三年加入本集團，擁有超過二十二年紡織業經驗。

## Directors' Interests in Contracts (continued)

### Senior Management (continued)

Ms. Leung Mei Yin, aged 35, is a sales director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. She joined the Group in 1990 and has over 14 years' experience in the textile industry.

Mr. Ling Man, aged 47, is a factory manager of the yarn dyeing operations of the Group. He joined the Group in 1998 and has over 24 years' experience in the dyeing and finishing industry.

Mr. Liu Ying Che, aged 35, is a factory manager of the fabric dyeing operations of the Group. He joined the Group in 1989 and has over 16 years' experience in the dyeing and finishing industry.

Mr. Ting Kit Hung, aged 48, is a director and chief executive of the Group's motor and generator services operations in the PRC. Mr. Ting is an associate member of the Institute of Motor Industry, the Chartered Institute of Transport and the British Institute of Management. He also holds a Master degree in Business Administration from the University of East Asia, Macau. He joined the Group in 1995 and has over 30 years' experience in the motor industry. He is the elder brother of Mr. Ting Kit Chung.

Mr. Wong Tung Yiu, aged 45, is a sales director and general manager of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1994 and has over 26 years' experience in the textile industry.

## 董事合約權益 (續)

### 高級管理人員 (續)

梁美賢小姐，三十五歲，本集團從事針織布銷售之永佳染廠有限公司營業董事。彼於一九九零年加入本集團，擁有超過十四年紡織業經驗。

凌文先生，四十七歲，本集團染紗業務部工廠經理。於一九九八年加入本集團，擁有超過二十四年整染業經驗。

廖英智先生，三十五歲，本集團染布及整理業務工廠經理。彼於一九八九年加入本集團，擁有超過十六年整染業經驗。

丁傑雄先生，四十八歲，本集團在中國汽車及發電機維修部董事兼行政總裁。彼為英國汽車工業學會、英國特許運輸學會及英國管理學會會員，亦擁有澳門東亞大學工商管理碩士學位。彼於一九九五年加入本集團，擁有逾三十年汽車維修業經驗。彼為丁傑忠先生之長兄。

王東耀先生，四十五歲，本集團從事針織布銷售之永佳染廠有限公司營業董事兼總經理。彼於一九九四年加入本集團，擁有超過二十六年紡織業經驗。

## Directors' Interests in Share Capital

At 31 March 2000, the interests of the directors and their associates in the share capital of the Company and its associated corporations, 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:

## 董事之股本權益

二零零零年三月三十一日，根據證券(公開權益)條例(「公開權益條例」)第29條規定而由本公司置存之股東名冊所記錄各董事及其聯繫人等所擁有之本公司及各聯營公司之股本權益如下：

Name of director	董事姓名		Number of shares and nature of interest			Total 合計
			Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	
Poon Bun Chak	潘彬澤	Note	33,720,000	234,800,104	571,200,000	839,720,104
Poon Kai Chak	潘佳澤	附註	6,502,800	—	—	6,502,800
Poon Kei Chak	潘機澤		27,377,200	—	—	27,377,200
Poon Kwan Chak	潘鈞澤		9,442,800	—	—	9,442,800
Ting Kit Chung	丁傑忠		4,500,000	—	—	4,500,000
Au Son Yiu	區燊耀		260,000	—	—	260,000
Cheng Shu Wing	鄭樹榮		260,000	—	—	260,000
			<u>82,062,800</u>	<u>234,800,104</u>	<u>571,200,000</u>	<u>888,062,904</u>

Note: 234,800,104 shares are owned by Farrow Star Limited, which is wholly-owned by Perfection Inc. as trustee for The Evergreen Trust, a discretionary trust, the objects of which include the family members of Poon Bun Chak. These shares are held as family interests under the SDI Ordinance.

附註：234,800,104股股份由Farrow Star Limited持有，而Perfection Inc. 則以The Evergreen Trust之信託人身份完全擁有Farrow Star Limited，該全權信託之受益人包括潘彬澤之家族成員。根據公開權益條例，該等股份屬於以家族權益持有。

571,200,000 shares are owned by Giant Wizard Corporation in which Farrow Star Limited has an 87.51% equity interest, and are held as corporate interests under the SDI Ordinance. A 12.4% interest in Giant Wizard Corporation is owned by Poon Kai Chak, Poon Kei Chak and Poon Kwan Chak.

571,200,000股股份由Farrow Star Limited擁有87.51%股本權益之Giant Wizard Corporation擁有，根據公開權益條例，屬於以公司權益持有。Giant Wizard Corporation之12.4%權益由潘佳澤、潘機澤及潘鈞澤擁有。

Save as disclosed above, none of the directors, or their respective spouses or children under 18 years of age of any of the directors or chief executives or their associates, had any personal, family, corporate or other interests in the share capital of the Company or any of its associated corporations, as defined in the SDI Ordinance.

除上文所披露者外，本公司各董事或任何董事或主要行政人員之配偶或十八歲以下之子女或其聯繫人等概無以個人、家族、公司或其他權益方式擁有本公司或任何關連公司(定義見公開權益條例)之股本權益。

## Directors' Rights to Acquire Shares

Apart from the share option scheme as detailed below under the heading "Share option scheme" and in note 25 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouses, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Substantial Shareholders

At 31 March 2000, no person, other than Mr. Poon Bun Chak whose interests are set out above, had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

## Purchase, Redemption or Sale of Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year. Particulars of the repurchases of shares by the Company after the year and are set out in note 25 to the financial statements.

## Connected Transactions

Nice Dyeing Factory Limited and Winson Knitting Factory Company Limited, wholly-owned subsidiaries of the Company, provided advances totalling HK\$223,181,490 to Baleno Kingdom Limited, a non-wholly-subsiary of the Company, at prime rate minus 1% per annum. The advances are unsecured and have no fixed terms of repayment. The principal purpose of these advances is to finance the non-wholly-owned subsidiary's operations.

## 董事之購股權利

除在標題「購股權計劃」下及財務報表附註25所述之購股權計劃外，於本年度任何時間內，本公司或各附屬公司概無訂立任何安排致使本公司董事或其配偶或十八歲以下之子女可藉收購本公司或任何其他其法人團體之股份或債券而獲益。

## 主要股東

於二零零零年三月三十一日，除潘彬澤先生擁有前述之權益外並無其他人士擁有本公司之股本權益，而根據公開權益條例第16(1)條規定須予記錄。

## 購入、贖回或出售上市證券

本公司、其附屬公司於本年度概無購入、贖回或出售本公司之任何上市證券。於本年結後，本公司購回股份之詳情載於財務報表附註25。

## 關連交易

本公司之全資擁有附屬公司永佳染廠有限公司及永信織廠有限公司向本公司之非全資附屬公司班尼路有限公司提供貸款，累計未償還貸款為港幣223,181,490元，年利息為最優惠利率減1%，有關貸款並無抵押及無協定之還款期，貸款主要用作支持此非全資附屬公司之日常營運。

## Connected Transactions (continued)

Pursuant to a sale and purchase agreement dated 10 November 1999, Win Ready Industrial Limited, a wholly-owned subsidiary of the Company, acquired the entire share capital of Winlife Trading Limited, a company incorporated in Hong Kong and beneficially owned by Poon Bun Chak for a cash consideration of HK\$34. Further details of the transaction are set out in note 32 to the financial statements.

## Share Option Scheme

On 15 July 1992, the Company adopted a share option scheme, the details of which are set out in note 25 to the financial statements. Details of options granted in prior years to the directors under this scheme are as follows:

Name of director 董事名稱	Number of share options outstanding as at 31 March 1999 在一九九九年 三月三十一日 購股權數目	Number of share options exercised during the year 在年內已行使 的購股權數目	Number of options outstanding as at 31 March 2000 在二零零零年 三月三十一日 購股權數目
Poon Bun Chak 潘彬澤	29,000,000	—	29,000,000
Poon Kai Chak 潘佳澤	8,300,000	—	8,300,000
Poon Kei Chak 潘機澤	10,600,000	—	10,600,000
Poon Kwan Chak 潘鈞澤	3,300,000	—	3,300,000
Ting Kit Chung 丁傑忠	9,600,000	(1,500,000)	8,100,000
Au Son Yiu 區燊耀	400,000	(200,000)	200,000
Cheng Shu Wing 鄭樹榮	400,000	(200,000)	200,000
	<u>61,600,000</u>	<u>(1,900,000)</u>	<u>59,700,000</u>

All the above options were granted pursuant to the Company's share option scheme as detailed in note 25 to the financial statements.

## 關連交易 (續)

根據在一九九九年十一月十日訂立的買賣合約，本公司之全資擁有附屬公司永備實業有限公司以代價港幣34元收購永生行有限公司之全部已發行股份，有關的代價以現金支付，永生行有限公司為一間在香港註冊成立的有限公司，並由潘彬澤先生實益擁有，有關此項交易的詳情載於財務報表附註32。

## 購股權計劃

於一九九二年七月十五日，本公司採納購股權計劃，有關詳情列載於財務報表附註25。本年度之前根據此計劃所授予董事之購股權之詳細資料如下：

以上根據公司之購股權計劃所授予之購股權已詳細載於財務報表附註25。

## Audit Committee

Pursuant to the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company established an Audit Committee (the "Committee") on 15th March 1999. The members of the Committee comprise the two independent non-executive directors of the Group, Mr. Au Son Yiu and Mr. Cheng Shu Wing.

The terms of reference and duties have been laid down as a guideline for the Committee. The principal duties of the Committee include the review and supervision of the financial reporting process and internal controls. Since its establishment, the Committee has met two times to review the internal controls and annual results and has provided recommendations to the board of directors.

## Disclosure Requirements of Practice Note 19 of the Listing Rules of the Stock Exchange

A syndicated bank loan with outstanding balance of HK\$63.6 million on 31 March 2000, representing 4.9% of Group's net assets value, was early repaid by the Company on 15 June 2000. Under the loan agreement, the controlling shareholders, the Poon family (Mr. Poon Bun Chak and his family members), were required to maintain controlling interests in the management and hold an aggregate shareholding of not less than 51% of the issued capital of the Company during the tenure of the loan to 27 August 2001. A breach of the above requirement would be considered to be a default under the loan agreement. During the year, no breach of the requirement was noted.

Save as disclosed above, there are no other disclosures required under Practice Note 19.

## 審核委員會

本公司遵照香港聯合交易所有限公司（「聯交所」）的《證券上市規則》附錄十四所載之《最佳應用守則》，於一九九九年三月十五日成立審核委員會，其成員包括本公司之兩位獨立非執行董事，分別為區燦耀先生及鄭樹榮先生。

委員會備有明確之條文及職責細則作指引。委員會之主要職責包括審核本公司之財務報告及內部監控制度。自委員會成立至今，已進行過兩次會議，審核公司之內部監控制度及財務報告，並向董事會提交意見。

## 聯交所《證券上市規則》第十九項指引須披露資料

於二零零零年三月三十一日，一項銀團貸款未償還金額港幣六千三百六十萬元，約佔集團資產淨值4.9%，本公司已於二零零零年六月十五日提前全部清還。根據貸款協議，控股股東潘氏家族（潘彬澤先生及其家族成員）須於該等貸款協議有效期間（貸款協議至二零零一年八月二十七日止）維持彼對公司控制權及持有本公司已發行股本不少於51%，若違反以上標準，將被視為不履行貸款協議。於年內，有關標準並未被違反。

除以上披露外，其他概無根據第十九項指引須予以披露事項。

## Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of the Stock Exchange, throughout the accounting period covered by the annual report except that the independent non-executive directors of the Company were not appointed for specific terms. Independent non-executive directors are subject to retirement and re-election at the Annual General Meeting of the Company in accordance with the provisions of the Company's Bye-laws.

## Year 2000 Computer Problem

The Group recognises the Year 2000 ("Y2K") problem as a problem related to the two-digit representation of year on computer systems.

As disclosed in the latest interim report, the Group has completed its project in ensuring the Year 2000 compliance of all its systems. As of today, all the systems of the Group are functioning smoothly and no Y2K problems have been noted. As the Y2K peril continues to exist, the Group will continue to monitor all of its systems closely.

For the year ended on 31 March 2000, there were no material costs spent on the Y2K project.

## Auditors

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

### Poon Bun Chak

Chairman

Hong Kong, 22 August 2000

## 最佳應用守則

董事會認為，除並無按指定任期委任獨立非執行董事外，本公司於本年報所述之會計期間均遵守根據聯交所《證券上市規則》附錄十四指引所載之《最佳應用守則》。根據本公司細則，本公司獨立非執行董事須依章退任，並於本公司股東週年大會重選連任。

## 公元二千年電腦問題

本集團認為公元二千年之電腦問題（「千年蟲」）乃由於電腦系統以兩位數字代表年份而產生之問題。

於本集團最近公佈之中期報告中已披露，本集團已完成解決電腦千年蟲之計劃。直至本日止，集團內之電腦系統一切運作正常及沒有發現任何與千年蟲有關之問題。由於千年蟲風險依然存在，集團會繼續密切關注有關係統之運作。

截至二零零零年三月三十一日年度止，集團並沒有為千年蟲計劃作出重大支出。

## 核數師

安永會計師事務所任滿告退，惟本公司將於應屆股東周年大會上提呈續聘該核數師之決議案。

承董事會命

主席

潘彬澤

香港，二零零零年八月二十二日