

# REVIEW OF OPERATIONS



## Financial Review

### Turnover and Results

For the year ended March 31, 2000, the Group's turnover declined by approximately 45% compared to the year before and the net loss increased to approximately HK\$92 million. This loss was mainly due to a number of provisions of approximately HK\$90 million taken in respect of outstanding debts, unrealised losses on investments, deficit on revaluation of land and building, a provision for a deposit in a joint venture and a provision for investment in an unconsolidated subsidiary.

### Liquidity and financial resources

The financial position of the Group remains healthy. On January 25, 2000, the Company placed out 55,000,000 shares at HK\$3.68 each, raising approximately HK\$195 million to be used as capital. As at March 31, 2000, the Group has approximately HK\$247 million cash on hand, after deducting the bank loan of approximately HK\$5.6 million. The current ratio of the Group as at March 31, 2000 was 3 times.

In July this year, the Group placed out a further 607,396,000 shares and 1,291,486,908 partly paid convertible preference shares to Luckman Trading Limited, a company owned by Mr. Ho Tsu Kwok, Charles. This raised approximately HK\$455 million for the Group. A further 27,852,389 shares of the Company were then placed to the Ontario Municipal Employees Retirement System ("OMERS") bringing in a further HK\$59 million. Further details about these transactions are provided below.

## Operations Review

During the year under review, the core business of the Group continued to be the distribution of brand name photographic products from Kodak, Ricoh and Nikon. The turnover from these operations amounted to HK\$553 million, representing 93% of the Group's turnover. Of the three brands, Kodak's turnover declined by 72%, Ricoh's fell by 15% while Nikon's rose by 24%. The substantial decrease in turnover for Kodak products was mainly due to Kodak setting up its own production base in the PRC.

## 財務回顧

### 營業額及業績

於截至二零零零年三月三十一日止年度，本集團之營業額相對去年度下降約45%，而淨虧損約增加至約92,000,000港元。該項虧損主要源自多項撥備合共約90,000,000港元，包括就應收債項、未變現投資虧損、土地及樓宇重估虧蝕，以及就向合營企業支付訂金款項和一家未有作合併賬處理附屬公司的投資而作出撥備。

### 流動資金及財務資源

本集團之財政狀況仍然穩健。於二零零零年一月二十五日，本公司按每股3.68港元之價格配售55,000,000股股份，籌集約195,000,000港元之資金作為投資資金。於二零零零年三月三十一日，本集團在扣除約5,600,000港元之銀行貸款後，仍有約247,000,000港元之現金。本集團於二零零零年三月三十一日之流動比率為3倍。

於本年度七月，本集團向 Luckman Trading Limited (一間由何柱國先生擁有之公司) 配售607,396,000股及1,291,486,908股部份繳足可換股的優先股，並為本公司籌集約455,000,000港元之資金。其後，本集團向安大略省政府僱員退休金管理局配售本公司額外27,852,389股股份，並為本集團帶來額外59,000,000港元之資金。有關此等交易之詳情載於下文。

## 業務回顧

於回顧年度內，本集團的核心業務仍然是分銷由柯達、理光及尼康所出售的名牌攝影產品。源自該等業務的營業額達553,000,000港元，佔本集團營業額93%。就上述三個品牌而言，柯達的營業額下跌72%、理光的營業額下跌15%，尼康的營業額則上升24%。柯達營業額大幅下跌主要是由於柯達在中國設立其本身的生產基地所致。

# 業務回顧

The Group continued to wind down its business in the trading of low margin goods such as audio visual products and items for which it did not have a preferential distribution agreement.

During the year, the Group began to diversify its business into the sector of high technology. On January 19, 2000, the Group entered into an agreement to acquire a 70% stake in Artland International Limited for a total sum of HK\$36 million. Artland owns a 50% interest in Sichuan Allday TV Development Company Limited. However, subsequent to the change of controlling shareholder of the Group, the new management reviewed the status of the project and was aware of certain regulatory issues which might impact on its viability. The Board therefore decided that it would be appropriate to make a provision of 50% of the value of the investment.

## Placing and Subscription of Shares

A placing, subscription and underwriting Agreement ("Agreement") was signed between the Group, Great Diamond Development Limited (one of the Company's former substantial shareholders) and First Shanghai Capital Limited on January 25, 2000 pursuant to which 55,000,000 new shares were placed out to independent shareholders at HK\$3.68 each. The Agreement was completed on February 2, 2000.

## Subscription of New Shares and Convertible Preference Shares by Luckman Trading Limited

The Company entered into a Subscription Agreement on March 27, 2000 and a Deed of Amendment on June 16, 2000 in relation to the subscription of 607,396,000 new Shares and 1,291,486,908 Convertible Preference Shares by Luckman Trading Limited ("Luckman") at an issue price of HK\$0.6388 per share and HK\$0.6388 per Convertible Preference Shares respectively (the "Transaction"). The Transaction was approved by the shareholders at the special general meeting held on July 17, 2000 and completed on July 20, 2000. Luckman is now the controlling shareholder of the Company and holds approximately 53% of the total issued share capital of the Company as at the date of this report. Luckman is 100% beneficially owned by Mr. Ho Tsu Kwok, Charles, the Chairman of the Group.

## Subscription for New Shares by and grant of an option to OMERS

The Company entered into a subscription and option agreement with OMERS ("Agreement") on June 20, 2000, pursuant to which (i) OMERS agreed to subscribe 27,852,389 new Shares at HK\$2.13 per share; and (ii) the Company agreed to grant OMERS the right to subscribe up to

本集團已持續減少買賣低邊際盈利的產品，例如影音產品以及並無優先分銷協議的產品。

在本年度內，本集團開始拓展業務至高科技項目。二零零零年一月十九日，本集團訂立一項協議，收購藝傳國際有限公司（「藝傳」）70%權益，總代價為36,000,000港元。藝傳擁有四川全天電視發展有限公司（「四川全天」）50%權益。然而，於更改本集團之控權股東後，新的管理層審閱該項目之狀況，察覺若干規例可能對其可行性造成影響。因此，董事會決定作出相當於投資價值50%的撥備乃為合適。

## 配售及認購股份

本集團、本集團前主要股東之一 Great Diamond Development Limited 及第一上海融資有限公司於二零零零年一月二十五日訂立一項配售、認購及包銷協議（「該協議」）。根據該協議，本集團按每股3.68港元之價格向獨立股東配售55,000,000股新股份。該協議乃於二零零零年二月二日完成。

## Luckman Trading Limited 認購新股份及可換股優先股

本公司分別於二零零零年三月二十七日及二零零零年六月十六日訂立認購協議及修訂契據，此乃有關由 Luckman Trading Limited（「Luckman」）分別按發售價每股0.6388港元及每股可換股優先股0.6388港元認購607,396,000股新股份及1,291,486,908股可換股優先股（「該項交易」）。該項交易已於二零零零年七月十七日召開之股東特別大會上獲股東批准，並於二零零零年七月二十日完成。Luckman 現為本公司的控權股東，並於本報告日期持有本公司之已發行股本總額約53%。Luckman 乃由本集團主席何柱國先生全資實益擁有。

## 安大略省政府僱員退休金管理局認購新股份及向其授出購股權

本公司已和安大略省政府僱員退休金管理局於二零零零年六月二十日訂立認購及認股權協議（「該協議」）；據此(i)安大略省政府

21,214,534 new Shares at HK\$2.74 per share at any one time during a period of 12 months commencing from August 3, 2000. The Agreement was approved by the shareholders on July 17, 2000.

#### **Change of Company Name**

The name of the Company has changed from Perfect Treasure Holdings Limited to Global China Technology Group Limited and the Chinese name of the Company, for identification purpose, has changed from 栢寶集團有限公司 to 泛華科技集團有限公司。

#### **Proposed change of Auditor**

The Board receives a notice of intention to nominate new auditors from our controlling shareholder, Luckman Trading Limited on August 15, 2000. It is proposed that Messrs. Ernst & Young will be appointed to replace Messrs. Deloitte Touche Tohmatsu as auditors of the Company at the forthcoming Annual General Meeting.

僱員退休金管理局已同意按每股2.13港元之價格認購27,852,389股新股份；及(ii)本公司亦同意於二零零零年八月三日授予 OMERS 權利以按每股2.74港元之價格於該協議完成之日起計十二個月內隨時認購最多達21,214,534股新股份。該協議由股東於二零零零年七月十七日召開之股東特別大會上批准。

#### **更改公司名稱**

本公司之名稱由 Perfect Treasure Holdings Limited 更改為 Global China Technology Group Limited，而就識別而言，本公司之中文名稱亦由栢寶集團有限公司更改為泛華科技集團有限公司。

#### **建議更改核數師**

於二零零零年八月十五日，本公司之控股股東 Luckman Trading Limited 知會董事會其有意委任新核數師，並將建議於本公司應屆股東週年大會上委任安永會計師事務所取代德勤•關黃陳方會計師行為本公司核數師。