

POSITIVE

THINKING,

ACTIVE

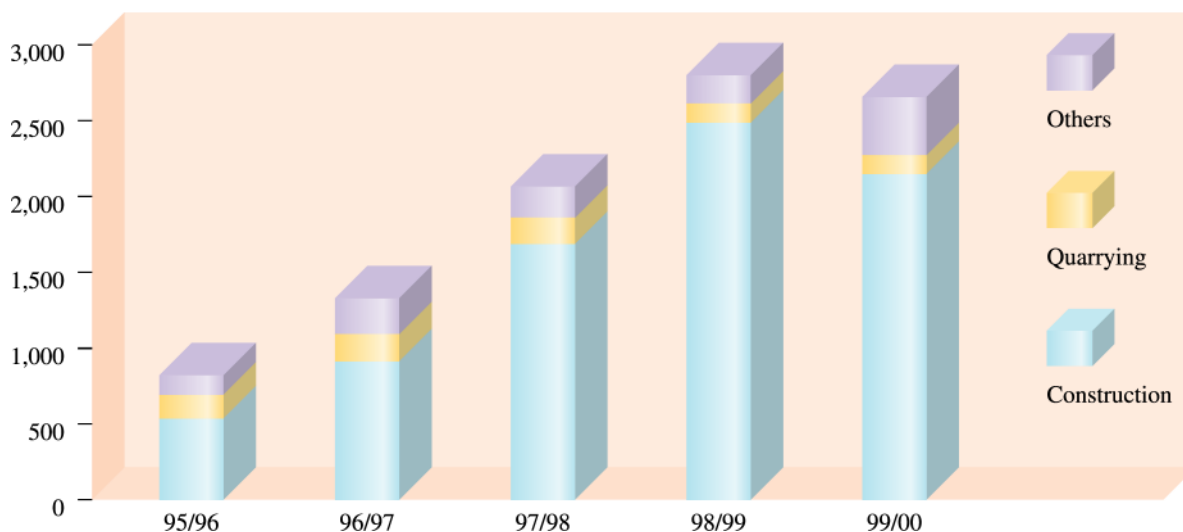
PARTICIPATION

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Financial Highlights

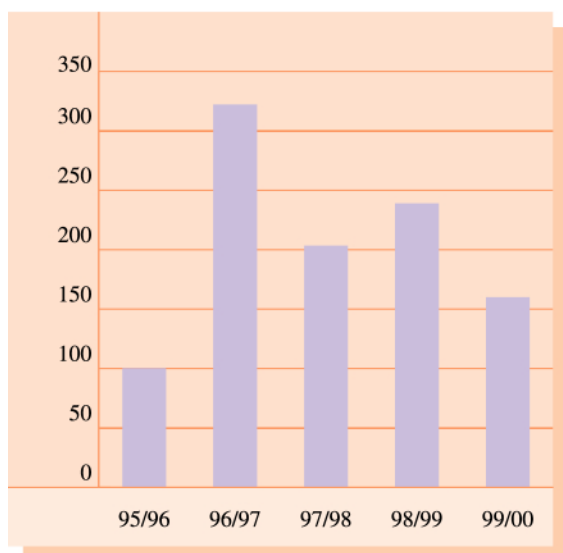
	Year ended 31st March	
	2000	1999
	HK\$ '000	HK\$ '000
Turnover	2,655,951	2,799,078
Profit before taxation	211,954	271,701
Profit for the year	160,388	238,898
Total assets	4,297,559	3,229,626
Total liabilities	2,760,309	1,807,636
Minority interests	33,613	22,744
Shareholders' funds	1,503,637	1,399,246
Return on shareholders' funds	11%	17%
Basic earnings per share	23.83 cents	34.87 cents
Diluted earnings per share	22.89 cents	32.49 cents
Dividends per share	4 cents	9 cents

Turnover by activity
in HK\$ million



Financial Highlights (cont'd)

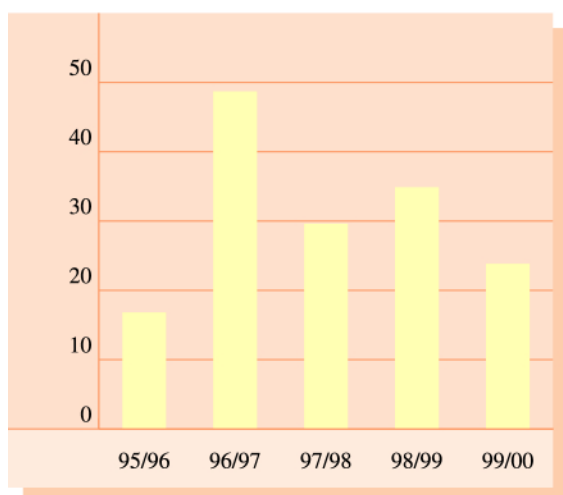
Profit for the year
in HK\$ million



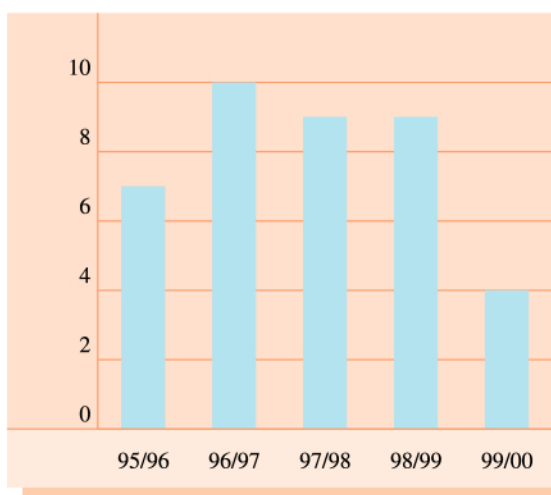
Shareholders' funds
in HK\$ million



Basic earnings per share
in HK cents



Dividends per share
in HK cents



Chairman's Statement

Dear Shareholders,

The board of directors (the "Board") of the Company announces that the audited consolidated profit after tax of the Group for the financial year 1999/2000 was HK\$160,388,000 representing a decrease of 32.9% as compared with the results of last financial year. This was mainly affected by the consequences resulted from the short pile event of Shatin 14B project for which the Group's subsidiary, Zen Pacific Civil Contractors Limited, was the main contractor.

The Board does not recommend the payment of a final dividend in respect of the year ended 31st March, 2000.



*Zen Wei Pao, William
Chairman*

BUSINESS REVIEW AND FUTURE OUTLOOK

Highway

In the financial year 1999/2000, the Group's investment in Road King Infrastructure Limited ("Road King") continued to perform extremely well. The highway business contributed to the Group a profit of HK\$237,004,000. Road King recorded an audited net profit after tax of HK\$610,333,000 (including the gain on disposal of interest in an infrastructure joint venture of HK\$211,751,000) for the twelve months ended 31st December, 1999 and an unaudited net profit after tax of HK\$239,955,000 for the six months ended 30th June, 2000. The Group received a final



*National Highway 307 Shijiazhuang-Jinzhou Highway
in Hebei Province, PRC*

Chairman's Statement (cont'd)

dividend of HK\$56,159,000 in May 2000 and expects to receive an interim dividend of HK\$48,083,000 from Road King in August 2000. Since its formation in 1994, Road King has performed extremely well and now becomes the source of steady positive cash flow for the Group. Road King by itself will prudently but continuously search for highway investment opportunities and thus maintain its steady growth. In addition, Road King will also look into other high growth investment opportunities in the region.



Yuncun Bridge, the main bridge of Provincial Highway 211 Changzhou-Caoqiao Highway in Jiangsu Province, PRC

Construction

The Shatin 14B short pile event has affected materially the profitability and future growth potential of the Group's construction division in the short and medium terms. The Group has made HK\$60,000,000 provision for the possible legal cost and compensation for this event. The Group believes that, in the long term, the whole construction business will still be one of Group's core business and the Group looks forward to participating the development of Hong Kong Community.



KCRC West Rail Contract CC-402 Nam Cheong Station



Disciplined Services Sports and Recreation Centre at So Kong Po

At the end of March 2000, the construction division of the Group has contracts in hand of about HK\$16,400 million of which about HK\$9,333 million has yet to be completed. The construction division recorded a deficit of HK\$62,209,000 in 1999/2000 financial year.



Anping Harbour Outer Breakwater and Lighthouse Works, Taiwan

Quarry and Building Material

1. Quarry

The quarry division contributed about HK\$6,858,000 (after allowing the loss of HK\$29,226,000 incurred by the Shanghai Quarry which had been suspended for operation since November 1997) for this financial year. With the recovery of the Hong Kong economy, the Group believes that there is a positive up trend of profitability for the quarries for the new financial year.



Crushing Plant at Niu Tou Quarry, Zhuhai, PRC



View of Precast Unit at Niu Tou Island, Zhuhai, PRC

2. *Sundart Timber Products Company Limited ("Sundart")*

Sundart, a 65% owned subsidiary of the Company, has recorded a profit after tax of HK\$30,815,000 this year, an increase of 126% over last year. The management of Sundart is confident that a similar level of profit can be maintained for the coming years.

FINANCIAL REVIEW

During the year, we received a total of HK\$104,908,000 dividends from Road King and in May 2000 we received HK\$56,159,000 being the 1999 final dividend from Road King (the 2000 interim dividend of HK\$48,083,000 is expected to be received in August 2000). HK\$89,000,000 was also raised through shares placement to a subsidiary of New World Development Company Limited in June 2000. Together with other new financing we managed to pay off HK\$240,000,000 out of the total amount of HK\$375,000,000 due to the funds managed by AIG Investment Corporation (Asia) Limited and HSBC Private Equity (Asia) Limited. Per restructure agreements, the balance of HK\$135,000,000 will be paid off before May 2001 and the payment will be mainly covered by dividends from Road King. Nevertheless, due to the compensation payable to the financial investors in Zen Pacific Construction Limited amounting to HK\$21,200,000 the net financial expenses for this year still increased by 23% to HK\$66,700,000. The business activities of the Group will slow down due to the impact of the Shatin 14B short pile event and coupled with the reduction in bank borrowings we expect the financial expenses to be substantially reduced in the coming year.

The Group was awarded a Private Sector Participation Scheme ("PSPS") project in October 1999 and another one in May 2000. Over HK\$2 billion project finance was secured to finance these two PSPS projects due to be completed in the next three years. Financial expenses incurred for these two PSPS projects are capitalized to properties under development held for sale and hence will not affect the bottom line of the Group until the properties are sold.



*Double Leaf Entrance Door
for Poseidon Coast, Siu Lam*

CONCLUSION

The Shatin 14B short pile event has had a serious adverse impact on the Group's performance for this year and probably next year too. But this event also provides the management unprecedented opportunity to investigate thoroughly the fundamentals of the Group and to consolidate the Group's operation thus enhance the efficiency of performance. The management and the staff will be well prepared to develop the Group into the most healthy and best performing listed company in Hong Kong in the long term.

The Board takes this opportunity to extend its sincere thanks to all of its loyal and hardworking staff.

Zen Wei Pao, William

Chairman

1st August, 2000



Directors and Senior Management

Executive Directors

ZEN Wei Pao, William, aged 53, was appointed an Executive Director in July 1992 and is the Chairman of the Company. He has been with the Group since 1971. He is also the Chairman of Road King Infrastructure Limited. He holds a bachelor of science degree in physics from The Chinese University of Hong Kong. He also attended Executive Education Program at Harvard University. He has over 31 years' experience in civil engineering industry. Mr. William Zen is responsible for the overall strategic planning and corporate marketing and development of the Group and oversees the operations of the Group's highway sector. He is the brother of Mr. Zen Wei Peu, Derek.

ZEN Wei Peu, Derek, aged 48, was appointed an Executive Director in July 1992 and is the Vice Chairman of the Company. He has been with the Group for over 20 years. He is also an Executive Director of Road King Infrastructure Limited. He holds a bachelor of science degree in civil engineering from The University of Hong Kong and a master degree of business administration from The Chinese University of Hong Kong and is a member of both the Institution of Civil Engineers and the Hong Kong Institution of Engineers and a fellow member of the Institution of Quarrying. He has over 21 years' experience in civil engineering. Mr. Derek Zen is responsible for the overall management of the Group and oversees the operations of the Group's construction and quarrying divisions. He is the brother of Mr. Zen Wei Pao, William.

NIP Yun Wing, Horace, aged 46, was appointed an Executive Director and the Company Secretary in July 1992. He is also an Executive Director of Road King Infrastructure Limited. He has over 21 years' experience in financial management and accounting administration and holds a master degree of business administration from The Chinese University of Hong Kong. He is a fellow member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants. Mr. Nip is responsible for the financial management and the accounting and secretarial department of the Group.

FONG Shiu Leung, Keter, aged 37, was appointed an Executive Director in August 2000. He is also an Executive Director of Road King Infrastructure Limited. He holds a bachelor degree in arts. He is a Certified Practising Accountant in Australia and a fellow member of the Hong Kong Society of Accountants. He has 15 years' experience in auditing, accounting and business advisory profession. Mr. Fong is responsible for the financial management and accounting of the Group's construction division.

Independent Non-executive Directors

WONG Che Ming, Steve, aged 50, was appointed a Non-executive Director in July 1992. He is a practising solicitor and has been a senior partner of a law firm in Hong Kong since 1985. He holds a bachelor of social science degree in economics from The Chinese University of Hong Kong and a master degree in civil law from The Remin University of China.

TSE Sze Wing, Edmund, aged 62, was appointed a Non-executive Director in September 1996. He is the Vice Chairman of American International Group, Inc., the leading US-based international insurance organisation. He is also the Chairman and Chief Executive Officer of American International Assurance Company, Limited, with headquarters in Hong Kong. Mr. Tse is a veteran of the insurance industry with over 39 years' experience and has been active in promoting the development of the insurance industry in Asia. Mr. Tse received his bachelor of arts degree in mathematics from The University of Hong Kong. He also obtained Diplomas from the College of Insurance and the Graduate School of Business of Stanford University, U.S.A.

Directors and Senior Management (cont'd)

Senior Management

YU Sai Yen, aged 45, joined the Group in May 1996 as the Managing Director of Zen Pacific Construction Limited (“Zen Pacific”) and Chief Executive Officer of Group’s civil engineering division. He holds a bachelor of science degree in civil engineering from the University of Dundee and is a member of both the Institution of Civil Engineers and the Hong Kong Institution of Engineers. Mr. Yu has over 21 years’ experience in civil engineering and prior to joining the Group, he was the general manager of the marine engineering division of UDL Holdings Limited.

David Howard GEM, aged 60, is the Deputy Managing Director of Zen Pacific and has been an Executive Director of Zen Pacific Civil Contractors Limited (“ZPCCL”) since 1988. He is a member of both the Institution of Civil Engineers and the Hong Kong Institution of Engineers. He has extensive experience in the marketing management, design and construction of civil engineering and building projects in Hong Kong and Asia. He is the first Vice President of the Hong Kong Construction Association, Chairman of the Civil Engineering Committee, Hong Kong Construction Association, a member of the Contract Committee, Construction Advisory Board and a member of Advisory Committee of the Department of Civil and Structural Engineering, The Hong Kong Polytechnic University.

CHAN Ka Kui, aged 50, is the Managing Director of Ngo Kee Construction Company Limited (“Ngo Kee”) since September 1998. He is a Registered Professional Surveyor and a fellow member of the Hong Kong Institute of Surveyors, Hong Kong Institute of Builders and the Royal Institution of Chartered Surveyors. He has extensive management experience in the construction industry, in particular, the introduction of systematic management, quality assurance systems and safety assurance schemes. He is the Chairman of Construction Industry Training Authority, Council Member of the Hong Kong Construction Association, Committee Member of Town Planning Board and Member of Construction Advisory Board.

YUE Pak Lim, aged 64, is the Director of Zen Pacific and also Director and General Manager of Wai Kee (Zens) Construction & Transportation Company Limited, Leader Civil Engineering Corporation Limited and Leader Marine Contractors Limited (formerly Zen Pacific Marine Contractors Limited) since July 1999. He has over 40 years’ experience in various building and civil engineering works. Prior to joining the Group, he was an executive director of Gammon Construction Limited.

Alan CLARKE, aged 51, is the Director and General Manager of ZPCCL for which he has been working since July 1992. He holds a bachelor degree in building and is a member of the Institution of Civil Engineers and the Chartered Institute of Building. He has over 27 years’ experience in civil engineering including estimating and project management.

POON Shiu Chung, Jacky, aged 43, is the Director of Ngo Kee for which he has been working since September 1992. He holds a bachelor of science degree in civil engineering and has over 18 years’ experience in building and civil engineering works.

CHAN Sau Him, Stephen, aged 49, served the Group for over 10 years and is now the General Manager of the quarry division. He holds a bachelor of science degree in civil engineering and has over 22 years’ experience in civil engineering and quarrying.

Directors and Senior Management (cont'd)

Senior Management (cont'd)

LEUNG Kai Ming, Patrick, aged 47, joined the Group in October 1996 and is the Managing Director of Sundart Timber Products Company Limited (“Sundart”). Mr. Leung has extensive experience in building construction, interior fitting-out and timber business and he holds 33% interest in Sundart.

NG Tak Kwan, Tony, aged 46, joined the Group in September 1999 and is the Director of Sundart. Mr. Ng has extensive experience in building construction, interior fitting-out and timber business and he holds 2% interest in Sundart.

LI Siu Yuk, Ashley, aged 35, joined the Group in September 1997 and is now the General Manager of Sundart. She holds a bachelor of social sciences degree from The University of Hong Kong.

CHEUNG Kwan Man, Edmond, aged 45, joined the Group in August 1994 and is now the Group Financial Controller. Mr. Cheung has extensive accounting experience and is a member of the Certified General Accountants’ Association of Canada. He is the spouse of Madam Cheung Wai Ying, Eva.

SIEN Fung, Terence, aged 39, joined the Group since February 2000 as Chief Information Officer. He holds a bachelor degree in computer science and has over 14 years’ solid and practical experience in the field of information technology.

CHIU Wai Yee, Anriena, aged 36, joined the Group in April 1995 and is now the Deputy Company Secretary. She holds a bachelor of administrative studies degree and a master degree of professional accounting and is an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators.

CHEUNG Wai Ying, Eva, aged 42, joined the Group in May 1993 as the Group Personnel and Administration Manager. She is the spouse of Mr. Cheung Kwan Man, Edmond.

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31st March, 2000.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities are set out in notes 46, 17 and 18 to the financial statements respectively.

The Group's turnover and contribution to profit from operations for the year ended 31st March, 2000 by principal activity and geographical market are as follows:

By principal activity:

	Construction	Quarrying	Expressway and highway	Building materials	Others	Corporate expenses	Total
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
Turnover							
Group and share of jointly controlled entities	2,609,070	122,342	–	361,609	21,028	–	3,114,049
Less: Share of jointly controlled entities	458,098	–	–	–	–	–	458,098
Group turnover	<u>2,150,972</u>	<u>122,342</u>	<u>–</u>	<u>361,609</u>	<u>21,028</u>	<u>–</u>	<u>2,655,951</u>
Contribution to profit from operations	31,379	16,516	–	25,375	(1,781)	(21,379)	50,110
Finance costs less interest income	(14,901)	67	(47,163)	(4,718)	–	–	(66,715)
Provision for impairment loss of property, plant and equipment	–	(13,444)	–	(7,547)	–	–	(20,991)
Provision for piling incident	(60,000)	–	–	–	–	–	(60,000)
Share of profits less losses of jointly controlled entities	22,069	–	–	–	–	–	22,069
Share of profits less losses of associates	(3,516)	–	289,764	710	523	–	287,481
Profit before taxation	<u>(24,969)</u>	<u>3,139</u>	<u>242,601</u>	<u>13,820</u>	<u>(1,258)</u>	<u>(21,379)</u>	<u>211,954</u>

PRINCIPAL ACTIVITIES (cont'd)

By geographical market:

	Hong Kong <i>HK\$'000</i>	Other regions in the People's Republic of China (the "PRC") <i>HK\$'000</i>	Republic of China <i>HK\$'000</i>	Corporate expenses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover					
Group and share of jointly controlled entities	2,705,162	179,469	229,418	–	3,114,049
Less: Share of jointly controlled entities	331,826	32,925	93,347	–	458,098
Group turnover	<u>2,373,336</u>	<u>146,544</u>	<u>136,071</u>	<u>–</u>	<u>2,655,951</u>
Contribution to profit from operations	75,239	5,006	(8,756)	(21,379)	50,110
Finance costs less interest income	(19,876)	(47,171)	332	–	(66,715)
Provision for impairment loss of property, plant and equipment	–	(20,991)	–	–	(20,991)
Provision for piling incident	(60,000)	–	–	–	(60,000)
Share of profits less losses of jointly controlled entities	21,113	–	956	–	22,069
Share of profits less losses of associates	(2,806)	289,761	526	–	287,481
Profit before taxation	<u>13,670</u>	<u>226,605</u>	<u>(6,942)</u>	<u>(21,379)</u>	<u>211,954</u>

CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2000, the five largest customers of the Group together accounted for approximately 62% of the Group's turnover, with the largest customer accounting for 26%, and the five largest suppliers of the Group together represented less than 11% by value of the Group's total purchases.

None of the Directors, or any of their associates, or any shareholders which, to the knowledge of the Directors owned more than 5% of the Company's share capital, had any beneficial interests in the Group's five largest customers as mentioned in the preceding paragraph.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2000 are set out in the consolidated income statement on page 24.

An interim dividend of 4 cents per share amounting to approximately HK\$27,022,000 was paid to shareholders during the year. The Directors do not recommend the payment of a final dividend and propose the retention of the remaining profit for the year of HK\$133,408,000.

RESERVES

Movements in the reserves of the Group and the Company for the year are set out in note 34 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 76.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's principal subsidiaries and the Group's associates and jointly controlled entities at 31st March, 2000 are set out in notes 46, 17 and 18 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

The Group expended HK\$24,620,000 on new plant and machinery and HK\$16,544,000 on new vessels during the year. In addition, a provision for impairment loss of property, plant and equipment amounting to HK\$20,991,000 was made during the year.

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the financial statements.

SHARE CAPITAL, WARRANTS AND SHARE OPTIONS

Details of movements in the share capital, warrants and share options of the Company are set out in notes 31, 32 and 33 to the financial statements respectively.

BORROWINGS AND INTEREST CAPITALISED

Borrowings repayable within one year or on demand are classified as current liabilities. The repayment analyses of the Group's bank loans, other borrowings and loans from minority shareholders are set out in notes 24, 25 and 26 to the financial statements respectively.

BORROWINGS AND INTEREST CAPITALISED (cont'd)

Interest capitalised by the Group during the year amounted to HK\$20,318,000.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Mr. Zen Wei Pao, William (*Chairman*)

Mr. Zen Wei Peu, Derek (*Vice Chairman*)

Mr. Nip Yun Wing, Horace

Mr. Fong Shiu Leung, Keter (appointed on 1st August, 2000)

Independent Non-executive Directors:

Mr. Tse Sze Wing, Edmund

Mr. Wong Che Ming, Steve

In accordance with Bye-laws 86 and 87 of the Company's Bye-laws, Mr. Zen Wei Peu, Derek and Mr. Fong Shiu Leung, Keter shall retire from office at the forthcoming annual general meeting, and being eligible, offers themselves for re-election.

The Independent Non-executive Directors have been appointed for a term subject to retirement by rotation as required by the Company's Bye-laws.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2000, the interests of the Directors of the Company in the shares and warrants of the Company or any of its associated corporations within the meaning of Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Directors' Report (cont'd)

DIRECTORS' INTERESTS IN SECURITIES (cont'd)

Name of Director	The Company			Road King Infrastructure Limited	Wai Kee (Zens) Construction & Transportation Company Limited	Wai Luen Stone Products Limited
	Number of ordinary shares held under		Number of warrants held under	Number of ordinary shares held under	Number of non-voting deferred shares held under	Number of non-voting deferred shares held under
	personal interests	family interests	personal interests	personal interests	personal interests	personal interests
Mr. Zen Wei Pao, William	186,381,843	Nil	25,038,937	Nil	2,000,000	30,000
Mr. Zen Wei Peu, Derek	156,787,078	Nil	20,948,401	1,206,645	2,000,000	30,000
Mr. Nip Yun Wing, Horace	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Wong Che Ming, Steve	600,000	Nil	90,000	Nil	Nil	Nil
Mr. Tse Sze Wing, Edmund	Nil	1,130,000	Nil	Nil	Nil	Nil

Save as aforesaid, none of the Directors or their associates had any interests in any securities of the Company or any of its associated corporations as defined under the SDI Ordinance as at 31st March, 2000.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group had the following transactions with Wai Shun Shipyard Limited, a company in which Messrs. Zen Wei Pao, William and Zen Wei Peu, Derek had beneficial interests.

	<i>HK\$ '000</i>
Payment for repairing charges	2,821
Purchase of materials and supplies	1,356
Receipt of diesel and water supply income	818
Receipt of plant hire income	298
Receipt of machinery repairing charges	295

In the opinion of those Directors not having an interest in the above transactions, the transactions were entered into in the ordinary course of business of the Group and on normal commercial terms.

Save as aforesaid, no other contracts 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.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

- (i) During the year, the following Directors of the Company had personal interests in share options to subscribe for shares in the Company:

Name of Director	Date granted	Exercisable period	Exercise price HK\$	Balance at 1.4.1999	Number of share options		Balance at 31.3.2000
					Granted during the year	Lapsed during the year	
Mr. Zen Wei Pao, William	8th July, 1996	8th July, 1997 – 7th July, 2000	1.60	1,500,000	–	–	1,500,000
Mr. Zen Wei Peu, Derek	8th July, 1996	8th July, 1997 – 7th July, 2000	1.60	1,500,000	–	–	1,500,000
Mr. Nip Yun Wing, Horace	18th March, 1996	18th March, 1997 – 17th March, 2000	1.39	1,500,000	(1,500,000)	–	–
Mr. Tse Sze Wing, Edmund	26th September, 1996	26th September, 1997 – 25th September, 2000	1.38	500,000	–	–	500,000

The aggregate consideration received in respect of the above share options granted to the Directors of the Company in prior years was HK\$4.

- (ii) During the year, the following Directors of the Company had personal interests in share options to subscribe for shares in Road King Infrastructure Limited (“Road King”), an associate of the Company:

Name of Director	Date granted	Exercisable period	Exercise price HK\$	Balance at 1.4.1999	Number of share options		Balance at 31.3.2000
					Granted during the year	Lapsed during the year	
Mr. Zen Wei Pao, William	1st August, 1996	1st August, 1997 – 31st July, 1999	5.60	719,000	–	(719,000)	–
	23rd June, 1997	23rd June, 1998 – 22nd June, 2000	6.00	770,000	–	–	770,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	5.60	–	719,000	–	719,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	4.95	–	550,000	–	550,000

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES (cont'd)

Name of Director	Date granted	Exercisable period	Exercise price	Balance at 1.4.1999	Number of share options		Balance at 31.3.2000
					Granted during the year	Lapsed during the year	
			HK\$				
Mr. Zen Wei Peu, Derek	1st August, 1996	1st August, 1997 – 31st July, 1999	5.60	539,000	–	(539,000)	–
	23rd June, 1997	23rd June, 1998 – 22nd June, 2000	6.00	350,000	–	–	350,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	5.60	–	539,000	–	539,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	4.95	–	250,000	–	250,000
Mr. Nip Yun Wing, Horace	1st August, 1996	1st August, 1997 – 31st July, 1999	5.60	539,000	–	(539,000)	–
	23rd June, 1997	23rd June, 1998 – 22nd June, 2000	6.00	350,000	–	–	350,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	5.60	–	539,000	–	539,000
	2nd August, 1999	2nd August, 2000 – 1st August, 2002	4.95	–	250,000	–	250,000

The aggregate consideration received by Road King in respect of the above share options granted to the Directors of the Company in prior years was HK\$12.

Save as aforesaid, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors 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 or Chief Executives of the Company, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the heading “Directors’ Interests in Securities” above, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no other person as having an interest of 10 per cent. or more in the issued share capital of the Company at 31st March, 2000.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased certain of its own shares on the Stock Exchange, details of which are set out in note 31 to the financial statements. The Directors considered that as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

None of the Company's subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

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.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$799,636.

CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st March, 2000 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

PRACTICE NOTE 19 TO THE LISTING RULES

The following information is disclosed in accordance with paragraph 3.7.1. of the Practice Note 19:

The Company has entered into several loan agreements which require Messrs. Zen Wei Pao, William and Zen Wei Peu, Derek together the controlling shareholders of the Company, to retain their control in the Company throughout the tenure of the loan agreements. As at 31st March, 2000, the total amount of outstanding loans involved is HK\$45,000,000 and the last repayment of the loans is to be made on 19th August, 2000.

Save as disclosed above, there is no other disclosure required to be made by the Company pursuant to Practice Note 19 to the Listing Rules.

YEAR 2000 ("Y2K") COMPLIANCE

The Group has completed all necessary Y2K compliance tests in early 1999. No incident of Y2K related issue has been reported since the millennium. All systems are also operating as normal during high risk date such as 1st January, 2000 and 29th February, 2000. The cost incurred for the Y2K project was within budget.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors of the Company.

On behalf of the Board
Zen Wei Pao, William
Chairman

1st August, 2000