

The directors are pleased to present their report together with the audited accounts for the financial year ended 31st March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are shown in note 14 to the accounts. The Group's facility management consultancy and solution business was sold during the year.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 3 to the accounts.

RESULTS AND DIVIDENDS

The results of the Group for the financial year ended 31st March 2003 are set out in the consolidated profit and loss account on page 24.

The directors recommend the payment of a final dividend of 1.0 cent per ordinary share totalling HK\$4,668,860.

RESERVES

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are shown in note 13 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2003 amounted to HK\$73,874,083 (2002: HK\$123,717,261).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 68.

SHARE CAPITAL

Details of the movement in share capital of the Company are shown in note 20 to the accounts.

DIRECTORS' REPORT

DIRECTORS

The directors during the year were:

Mr. Adrian Fu Hau Chak
Mr. David Miao
Mr. Fu Yum Chiu
Mr. George Ho
Mr. George Joseph Ho
Mr. Leung Kwok Kit
Mr. Michael Tse Chi Hung
Ms. Patricia Yeung Shuk Kwan

In accordance with Articles 103 and 104 of the Company's Articles of Association, Mr. George Ho and Mr. David Miao retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Company or its subsidiaries within a year without payment of compensation other than statutory compensation.

BIOGRAPHICAL INFORMATION ON DIRECTORS AND SENIOR MANAGERS

(a) Non-executive directors

Michael Tse Chi Hung, aged 70, is currently Chairman of the Group. He has been a director of ABC Communications Limited since 1971 and Managing Director of the Group from October 1984 to September 1998. Mr. Tse is a non-executive director of Hong Kong Commercial Broadcasting Company, Limited and H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance in the Company (please refer to the paragraph headed "Substantial shareholders' interests in the Company" below for details).

George Ho, *GBS, OBE, JP*, aged 84, is the founder of the Group. Mr. Ho is the Honorary Chairman of Hong Kong Commercial Broadcasting Company, Limited and Chairman of H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance in the Company (please refer to the paragraph headed "Substantial Shareholders' Interests in the Company" below for details). He has over 40 years' experience in the broadcasting and telecommunications fields. Mr. Ho is also a non-executive director of Hongkong Land Holdings Limited. Mr. Ho is the father of Mr. George Joseph Ho, an executive director of the Company.

David Miao, aged 91, has been a director of ABC Communications Limited since 1971. He is a non-executive director of H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance in the Company (please refer to the paragraph headed "Substantial shareholders' interests in the Company" below for details). Mr. Miao is also a non-executive director of Hong Kong Commercial Broadcasting Company Limited.

BIOGRAPHICAL INFORMATION ON DIRECTORS AND SENIOR MANAGERS *(continued)*(a) Non-executive directors *(continued)*

Fu Yum Chiu, aged 79, has been an independent non-executive director of the Company since September 1991. He is the Chairman of KHI Holdings Limited ("Kwong Hing Investment") which is the controlling shareholder of the Kwong Hing Investment group of companies. KHI Holdings Limited has investments in the tourism and textile industries as well as various property investments. He is the father of Mr. Adrian Fu Hau Chak, a non-executive director of the Company.

Adrian Fu Hau Chak, aged 55, has been an independent non-executive director of the Company since September 1991. He holds several executive positions on the boards of companies in Hong Kong and in South East Asia. He is the son of Mr. Fu Yum Chiu who is also a director of the Company.

Leung Kwok Kit, aged 57, joined ABC Communications Limited in 1977 and is currently a non-executive director of the Group. He is also a non-executive director of Hong Kong Commercial Broadcasting Company, Limited and of H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance in the Company (please refer to the paragraph headed "Substantial shareholders' interest in the Company" below for details). He is a fellow of the Hong Kong Society of Accountants and an associate of The Australian Society of Certified Practising Accountants and The Chartered Institute of Management Accountants.

(b) Executive directors

Patricia Yeung Shuk Kwan, aged 53, has been an executive director of the Group since March 1990 following thirteen years' association with ABC Communications Limited as a non-executive director. She is currently Managing Director of the Group and Company Secretary of the Company. She holds a Bachelor of Arts degree from the University of Hong Kong.

George Joseph Ho, aged 53, has been an executive director of the Group since October 1992. He holds a Bachelor of Arts degree from the University of California, Berkeley, a Master of Laws degree from New York University and a Doctoral degree in Jurisprudence from Harvard University. Mr. Ho is currently Chairman of Hong Kong Commercial Broadcasting Company Limited and Managing Director of H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance in the Company (please refer to the paragraph headed "Substantial shareholders' interests in the Company" below for details). Mr. Ho is also a director of Dairy Farm International Holdings Ltd. Mr. Ho is the son of Mr. George Ho, a director of the Company.

DIRECTORS' REPORT

BIOGRAPHICAL INFORMATION ON DIRECTORS AND SENIOR MANAGERS *(continued)*

(c) Management team

Joey Fan, aged 38, has been the Chief Operating Officer of QuotePower International Limited since its inception. Mr. Fan has over 14 years' experience in the financial information technology industry, having held key positions at Reuters and Telerate. At Telerate he built the company's trading room system business into the market leader in Asia-Pacific. Mr. Fan holds a Master of Engineering degree from Cornell University.

Annie Yu, aged 32, is the General Manager of QuotePower International Limited. Ms. Yu has been associated with QuotePower since its inception and has directed the development of the company's entire suite of core information products such as streaming financial market data systems, financial data feeds, and online stock information for the Asia Pacific markets. Her current responsibilities include product R&D, system operations, customer services, business development support, and product marketing. Prior to joining QuotePower, she worked with Dow Jones Telerate and was involved in project implementation for Telerate's regional clients in the financial services industry. Ms. Yu graduated from the University of Waterloo with a Bachelor of Applied Science Degree (Honors) in Computer Engineering, with major in Management Science Option.

Andy Lin Wai Hung, aged 35, has played a key role in the development of ABC QuickSilver Limited. As the System Architect, he is responsible for software architecture planning and project management. Mr. Lin has over ten years' experience in mobile infrastructure development, and prior to joining ABC QuickSilver Limited, he has worked with the Group on a number of product development projects.

Joey K H Pong, aged 38, is the Chief Technology Officer of ABC QuickSilver Limited. He graduated from the University of Warwick with a Master of Science Degree in Information Technology and from the Chinese University of Hong Kong with a Master of Science Degree in Computer Science. Mr. Pong has over 12 years' experience in the information technology and telecommunications industry. His association with the Group spans over a decade, having held various key positions with other Group subsidiaries and with a business associate of the Group.

Lai Sze Wan, aged 30, is the Finance and Administration Manager of the Group. She graduated from Leicester University with a bachelor's degree (Honours) in Business Economics. An associate member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants, Ms. Lai has eight years' experience in audit and finance. She joined the Group in May 2003 and is responsible for overseeing the accounting, finance and corporate functions of the Group.

SHARE OPTION SCHEMES

(a) Expired Scheme

Under the share option scheme of the Company adopted on 12th September 1991 (the "Expired Scheme"), the Directors may, at their discretion, invite full-time employees of the Group, including executive directors, to take up options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares or not less than 80% of the average of the closing prices of the shares of the Company for the five trading days immediately preceding the date of offer of the option. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company at the time of granting of the options.

The Expired Scheme expired on 11th September 2001 ("Expiration Date") without prejudice to the rights and benefits of and attached to those options granted thereunder which are outstanding as at that date. No further grants were made after the Expiration Date. Following the expiration, the provisions of the Expired Scheme remain in force and effect to the extent necessary to give effect to the exercise of any option granted prior to the Expiration Date.

The share options granted are not recognised in the financial statements until they are exercised. As at 31st March 2003, the total number of shares which may be issued pursuant to exercise of options granted under the Expired Scheme was 2,500,000 shares, which represented approximately 0.5% of the total issued share capital of the Company as at 31st March 2003.

Details of the share options outstanding at 31st March 2003 which have been granted to and accepted by the directors under the Expired Scheme are as follows:

Name of director	Date of share options granted	Outstanding options as at 31st March 2003	Exercise price HK\$	Exercise period
Ms. Patricia Yeung Shuk Kwan	23rd February 2000	1,000,000	1.41	23rd March 2000 to 22nd February 2010
	23rd February 2000	1,000,000	1.41	23rd February 2001 to 22nd February 2010
Mr. George Joseph Ho	23rd February 2000	250,000	1.41	23rd March 2000 to 22nd February 2010
	23rd February 2000	250,000	1.41	23rd February 2001 to 22nd February 2010
		2,500,000		

No options were exercised by the directors during the year.

DIRECTORS' REPORT

SHARE OPTION SCHEMES *(continued)*

(b) Existing Scheme

Under the share options scheme (the "Existing Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27th March 2002 ("Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

Details of the Existing Scheme are as follow:

(i) Purpose

The purpose of the Existing Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

(ii) Participants

The Directors may, at their discretion, invite any Participant including any executive director, non-executive director or employee (whether full time or part time), shareholder, supplier, customers, consultant, adviser, other service provider or any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity, to take up options to subscribe for Shares in the Company.

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and Expired Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Existing Scheme and Expired Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limited").

SHARE OPTION SCHEMES *(continued)*(b) Existing Scheme *(continued)**(iii) Maximum number of shares (continued)*(2) 10% Limit *(continued)*

The Company may, from time to time, renew the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the nominal value of a Share at the date of grant; (b) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(vi) Amount payable upon acceptance of the option

Acceptance of an offer of the grant of an option shall be by the delivery to and receipt by the Company at its registered office of the form of acceptance sent to the Participant duly completed and signed by the Participant together with a remittance of HK\$10.

DIRECTORS' REPORT

SHARE OPTION SCHEMES *(continued)*

(b) Existing Scheme *(continued)*

(vii) Time of Exercise of Option

An option shall be exercisable at such time(s) or during such period(s) and subject to such terms, as the Directors may, at their discretion specify, provided that no option shall be exercisable no earlier than one month after and no later than ten years after its date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Existing Scheme

The life of the Existing Schemes is 10 years commencing on the Adoption Date and will end on 26th March 2012.

(ix) Shares available for issue under the Existing Scheme

As at 31st March 2003, the total number of shares available for issue under the Existing Scheme was 44,188,600 shares which represented approximately 9.5% of the total issued share capital of the Company.

DIRECTORS' INTERESTS

At 31st March 2003, the interests of the directors and their associates in the share capital of the Company as recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as notified to the Company were as follows:

Name	Number of Ordinary Shares			Total interests
	Personal interests	Corporate interest	Family interests	
George Ho	8,530,000	265,331,600	-	273,861,600
Michael Tse Chi Hung	12,160,006	-	-	12,160,006
Patricia Yeung Shuk Kwan	5,450,000	-	-	5,450,000
Leung Kwok Kit	3,306,600	-	-	3,306,600
George Joseph Ho	4,462,000	-	-	4,462,000

* H.C.B.C. Communications (International) Limited and its parent, H.C.B.C. Enterprises Limited, together held 265,331,600 shares of the Company. Mr. George Ho is deemed to be interested in the voting shares of H.C.B.C. Communications (International) Limited and H.C.B.C. Enterprises Limited as a result of his holdings in H.C.B.C. Enterprises (BVI) Limited, the ultimate holding company of H.C.B.C. Enterprises Limited.

As at 31st March 2003, the directors' interests in associated corporations of the Company (within the meaning of the "SDI Ordinance") notified to the Company were as follows:

- (a) Mr. George Ho held 18,112 non-voting "B" shares in H.C.B.C. Communications (International) Limited. H.C.B.C. Enterprises Limited held all the issued 312,000 "A" voting shares and 11,474 non-voting "B" shares in H.C.B.C. Communications (International) Limited.
- (b) Mr. George Ho was beneficially interested in 100,000 Management Shares and 795,600 Ordinary Shares, in H.C.B.C. Enterprises (BVI) Limited. Mr. George Ho was beneficially interested in 32.40% in the issued share capital of Goddard & Company Limited. Goddard & Company Limited held 5,000 Management Shares and 933,250 Ordinary Shares of H.C.B.C. Enterprises (BVI) Limited. H.C.B.C. Enterprises (BVI) Limited held all the issued share capital of H.C.B.C. Enterprises Limited.

DIRECTORS' REPORT

DIRECTORS' INTERESTS *(continued)*

- (c) Those directors set out below were personally interested in the following numbers of non-voting Deferred Shares in the capital of ABC Communications Limited, a subsidiary of the Company:

Name	Number of Deferred Shares
George Ho [#]	10,605
Michael Tse Chi Hung	11,642
Patricia Yeung Shuk Kwan	4,000
Leung Kwok Kit	5,900

- [#] Mr. George Ho also held corporate interests through H.C.B.C. Enterprises Limited in 190,690 non-voting Deferred Shares in the capital of ABC Communications Limited.

Save as disclosed in the above paragraphs, as at 31st March 2003 none of the directors or any chief executive of the Company or any of their spouse or children under the age of 18 years had any (nor was deemed under the "SDI Ordinance" to have any) interests in the securities of the Company or any associated corporation (within the meaning of the "SDI Ordinance") which were required to be entered in the register kept by the Company pursuant to the "SDI Ordinance".

No contracts of significance in relation to the Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies 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.

At no time during the year was the Company, its subsidiaries, its fellow subsidiaries or its holding companies 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, with the exception of the Employee Share Option Scheme, details of which are described above.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 31st March 2003, the only person (other than the directors and the chief executive of the Company) having an interest of more than 10% in the issued share capital of the Company as recorded in the register kept by the Company pursuant to Section 16(1) of the "SDI Ordinance" was as follows:

Name	Number of Ordinary Shares held
H.C.B.C. Enterprises (BVI) Limited	265,331,600

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY *(continued)*

Note: For the avoidance of doubt and double counting, it should be noted that the above shareholding has already been included in the shareholding stated against Mr. George Ho shown above under Directors' Interests.

Save as disclosed herein, there is no person known to the directors who, as at 31st March 2003, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital of the Company which are required to be recorded in the register kept under section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company's securities during the year and the Company has not redeemed any of its securities during the year.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda in relation to issues of new shares by the Company.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and sales for the year attributable to major suppliers and customers are as follows:

Purchases	
- the largest supplier	64%
- five largest suppliers combined	92%
Sales	
- the largest customer	6%
- five largest customers combined	22%

No directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

DIRECTORS' REPORT

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 the Listing Rules of The Stock Exchange of Hong Kong Limited except that the independent non-executive directors of the Company were 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 the Company's Bye-laws.

AUDIT COMMITTEE

In compliance with the requirements of The Stock Exchange of Hong Kong Limited, an audit committee was formed in 1999. The committee comprises three non-executive directors and reports to the Board of directors. The audit committee reviews matters within the scope of audit, such as financial statements and internal control, to protect the interests of the Company's shareholders. Two meetings were held during the current financial year.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

Michael Tse Chi Hung
Chairman

Hong Kong, 20th June 2003