



Media Partners International Holdings Inc.
媒體伯樂集團有限公司

Annual Report 年報 2002

**Nationwide Coverage and
Comprehensive Network**
全覆蓋 全網絡...

Pioneer 先鋒



KFC®



Whirlpool 惠而浦

雀巢咖啡 NESCAFÉ

羽西



力波清爽型啤酒

瀘州老窖

PORTS® INTERNATIONAL



MOTOROLA

Canon®



... with Strong Customer Base

強大客戶網作後盾

MISSION STATEMENT

我們的使命

Capitalising on our business model to secure long-term exclusive advertising rights and an extensive outdoor media network, MPI Group is positioned as a leading nationwide outdoor advertising media network provider in the Greater China region, providing clients with one-stop comprehensive cross-city advertising solutions.

憑藉我們以取得長期及獨家的媒體使用權的業務模式，及廣泛的戶外媒體覆蓋網絡，媒體伯樂集團能為客戶提供一站式全面的跨城市廣告解決方案，奠定我們在大中華區戶外廣告媒體網絡供應商的領導地位。

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this Annual Report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Annual Report.

This Annual Report, for which the directors (the "Directors") of Media Partners International Holdings Inc. ("MPI" or the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to MPI. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this Annual Report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this Annual Report misleading; and (3) all opinions expressed in this Annual Report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資之人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方可作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司的新興性質使然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量之市場。

創業板發佈資料之主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人的最新資料。

聯交所對本年報之內容概不負責，對其準確性或完備性亦不發表聲明，並明確表示概不就本年報全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本年報乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定提供有關媒體伯樂集團有限公司（以下簡稱「媒體伯樂」或「本公司」）之資料。媒體伯樂各董事（以下簡稱「董事」）對上述資料願共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所知及所信：(1) 本年報所載資料在各主要方面均為準確及完備，且無誤導成份；(2) 並無遺漏任何其他事項致使本年報所載內容有所誤導；及(3) 本年報所載之一切意見乃經審慎周詳考慮後作出，並以公平及合理之基準和假設為基礎。

CONTENTS

目錄

Corporate Information	2	公司資料
Corporate Profile	4	公司簡介
Group Structure	5	集團架構
Significant Events	6	重要事項
Chairman's Statement	10	主席報告書
CEO's Statement	11	行政總裁報告書
Management Discussion and Analysis	30	管理層之討論及分析
Business Objectives	40	業務目標
Corporate Governance	41	公司管治
Directors and Senior Management	47	董事及高級管理層
Report of the Directors	53	董事會報告
Auditors' Report	69	核數師報告
Financial Statements	71	財務報表
Notes to the Financial Statements	80	財務報表附註
Financial Summary	146	財務摘要
Glossary	147	釋義

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

George Ka Ki CHANG

(Vice Chairman)

Winnie Pik Shan TO

(Chief Executive Officer)

Tony Cheung Kin AU-YEUNG

Non-executive Director

Gerald Lokchung CHAN *(Chairman)*

Independent non-executive Directors

Lawrence Juen-Yee LAU

Meocre Kwok Wing LI

Paul Laurence SAFFO

COMPLIANCE OFFICER

George Ka Ki CHANG

CHIEF FINANCIAL OFFICER

Stephen Cheuk Kin LAW

(Company Secretary)

QUALIFIED ACCOUNTANT

Florence Yuk Lan WONG

AUDIT COMMITTEE

Lawrence Juen-Yee LAU

Meocre Kwok Wing LI

Paul Laurence SAFFO

REGISTERED OFFICE

Century Yard, Cricket Square
Hutchins Drive, PO Box 2681 GT
George Town, Grand Cayman
British West Indies

CORPORATE OFFICE

22nd Floor, Hang Lung Centre
2-20 Paterson Street
Causeway Bay
Hong Kong
Tel: (852) 2894 9800
Fax: (852) 2577 3509

SPONSOR

BNP Paribas Peregrine Capital Limited

AUDITORS

KPMG

PRINCIPAL BANKERS

ABN AMRO Bank

Bank of East Asia, Limited

Banque Nationale de Paris

Standard Chartered Bank

SHARE REGISTRAR

Tengis Limited

G/F, BEA Harbour View Centre

56 Gloucester Road

Wanchai, Hong Kong

FINANCIAL RELATIONS CONSULTANT

Strategic Financial Relations Limited

STOCK CODE

8072

REGIONAL OFFICES

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

MPI

15th Floor, Rooms 1506-1510
Hang Lung Centre, 2-20 Paterson
Street, Causeway Bay, Hong Kong

POAD

Suite 2801 Sino Plaza
255 Gloucester Road
Causeway Bay, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN MAINLAND CHINA

8 Gao An Road, Shanghai
Postcode:200030

OTHER OFFICES IN MAINLAND CHINA

SHANGHAI

Shanghai Metro Joint Venture
18 Kangping Lu, Shanghai
Postcode:200030

Shanghai Zhongle

No. 663-665 Wu Zhong Road
Min Hang Area, Shanghai
Postcode: 201103

GUANGZHOU

Guangzhou Metro Joint Venture

Room 2910, 29th Floor
Guangzhou Merchandise Building
12 Xihu Road, Guangzhou
Postcode:510030

Guangzhou

Rooms 2809-2810, 28th Floor
Huihua Tower, 80 Xianlie C. Road
Guangzhou
Postcode:510070

BEIJING

Room 711, Tower W3
Oriental Plaza
No. 1 East Changan Avenue
Dongcheng District, Beijing
Postcode:100738

CHENGDU

Room D/E, 22nd Floor
Guancheng Plaza
308 Shuencheng Street, Chengdu
Postcode:610016

CHONGQING

Suite 1208, 12th Floor
Metropolitan Tower
68 Zourong Road
Yu Zhong District, Chongqing
Postcode:400010

NANJING

22nd Floor, Golden Eagle
International Plaza
89 Han Zhong Road, Nanjing
Postcode:210029

WUHAN

Room 1, 23rd Floor
Jian Yin Building
709 Jianshe Road, Wuhan
Postcode:430015

董事會

執行董事

張家騏 (副主席)
杜碧珊 (行政總裁)
歐陽長健

非執行董事

陳樂宗 (主席)

獨立非執行董事

劉遵義
李國榮
Paul Laurence SAFFO

監察主任

張家騏

財務總裁

羅卓堅 (公司秘書)

合資格會計師

黃玉蘭

審核委員會

劉遵義
李國榮
Paul Laurence SAFFO

註冊辦事處

Century Yard, Cricket Square
Hutchins Drive, PO Box 2681 GT
George Town, Grand Cayman
British West Indies

公司辦事處

香港銅鑼灣百德新街2-20號
恒隆中心22樓
電話：(852) 2894 9800
傳真：(852) 2577 3509

保薦人

法國巴黎百富勤融資有限公司

核數師

畢馬威會計師事務所

主要往來銀行

荷蘭銀行
東亞銀行有限公司
法國國家巴黎銀行
渣打銀行

股份過戶登記處

登捷時有限公司
香港灣仔告士打道56號
東亞銀行港灣中心地下

財經公關顧問

縱橫財經公關顧問有限公司

股份編號

8072

地區辦事處

香港總辦事處

媒體伯樂
香港銅鑼灣百德新街2-20號
恒隆中心15樓1506-1510室

POAD

香港銅鑼灣告士打道255號
信和廣場2801室

中國內地總辦事處

上海市高安路8號
郵編：200030

中國內地其他城市之辦事處

上海

上海華智地鐵合營公司
上海市康平路18號
郵編：200030

上海中樂

上海閔行區吳中路663-665號
郵編：201103

廣州

廣州永通地鐵合營公司
廣州市西湖路12號
廣州百貨大廈29樓2910室
郵編：510030

廣州辦事處

廣州市先烈中路80號
匯華商貿大廈28樓2809-2810室
郵編：510070

北京

北京市東長安街1號
東方廣場辦公樓W3座711室
郵編：100738

成都

成都市順城大街308號
冠城廣場22樓D/E單元
郵編：610016

重慶

重慶市渝中區鄒容路68號
大都會商廈12樓1208室
郵編：400010

南京

南京市漢中路89號
金鷹國際商城22樓
郵編：210029

武漢

武漢市漢口建設大道709號
建銀大廈23樓1室
郵編：430015

CORPORATE PROFILE

公司簡介

Media Partners International Holdings Inc., together with its subsidiaries, is the leading outdoor advertising media network provider in Greater China, offering comprehensive services in a wide range of outdoor advertising media services, including billboards, street furniture and transport advertising. MPI was successfully listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 31 January 2002 (Stock Code : 8072).

The Group is majority owned by the Morningside group, which was established by the Chan family in Hong Kong in 1986. The Chan family also founded the Hang Lung Group in Hong Kong. The Group's outdoor advertising business began in Hong Kong in 1990, and the Group has established a strong presence in Hong Kong since then. In 1994, MPI extended its business to Mainland China.

Headquartered in Shanghai, MPI has established seven joint ventures and three offices in Mainland China. The Group's core business focuses on Mainland China's transport sector and the Group's transit advertising media network now extends to 53 major cities in Mainland China.

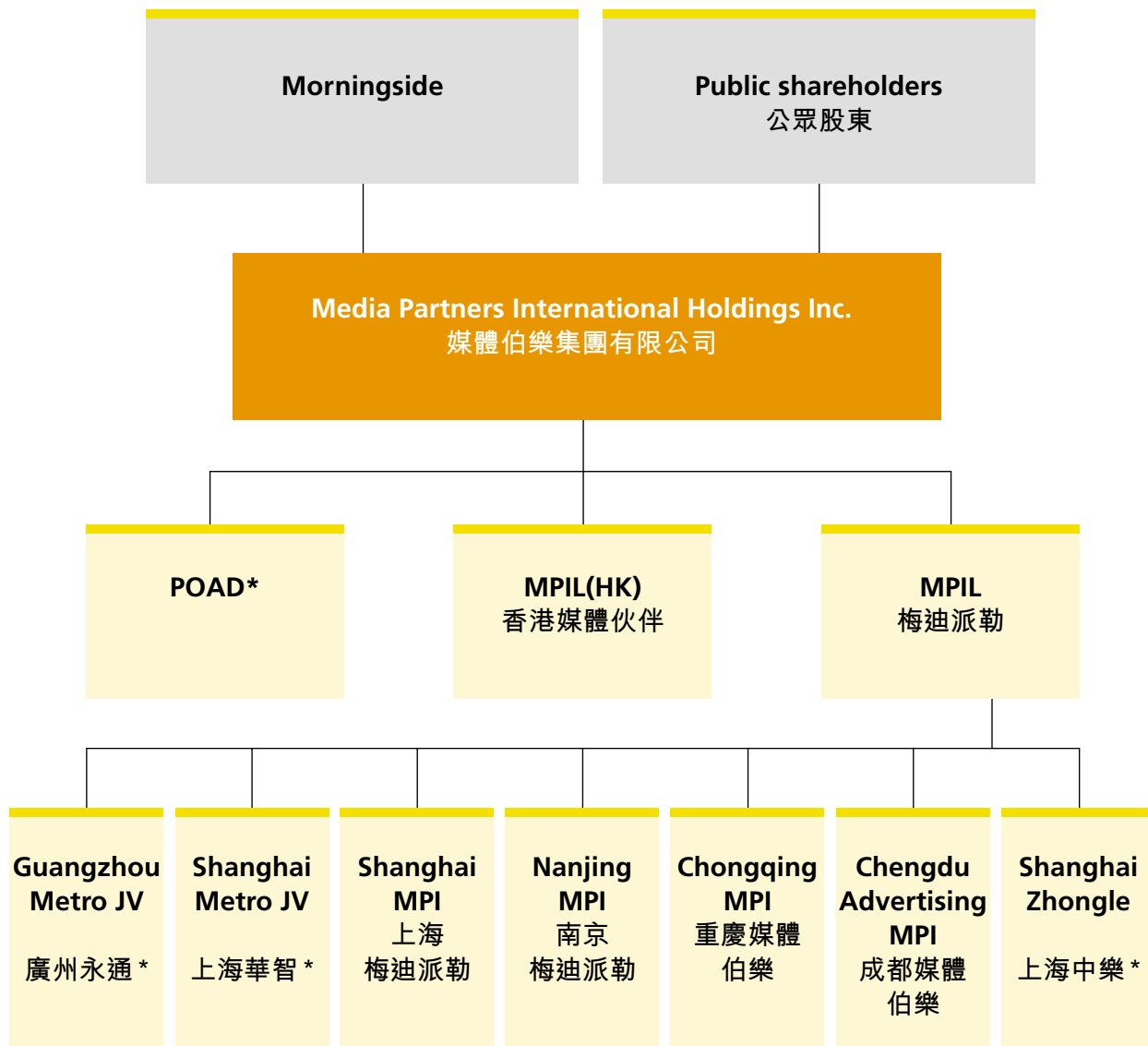
媒體伯樂集團有限公司及其附屬公司為大中華區具領導地位的戶外廣告媒體網絡供應商，提供多元化的戶外廣告媒體服務，包括廣告牌、街道設施及交通工具廣告。媒體伯樂成功於二零零二年一月三十一日在香港聯合交易所有限公司創業板上市（股份編號：8072）。

本集團主要股東為陳氏家族於一九八六年在香港成立的晨興集團。陳氏家族亦為香港恒隆集團的創辦人。本集團於香港的戶外廣告業務始於一九九零年及已建立鞏固的媒體覆蓋範圍。媒體伯樂於一九九四年把業務拓展至中國內地。

媒體伯樂的總部設於上海，並在中國內地成立七間合營企業及三個辦事處。中國內地交通工具媒體廣告為本集團之發展重點，本集團的交通工具廣告媒體網絡現時遍佈中國內地 53 個主要城市。

GROUP STRUCTURE

集團架構



*Jointly Controlled Entity / Associate Company

SIGNIFICANT EVENTS

重要事項

1 THE FIRST QUARTER

第一季

January to March
一月至三月

- Successful listing on GEM of the Stock Exchange
成功於聯交所創業板上市
- Secured exclusive advertising rights to AEL in Hong Kong
獲得香港機場快綫之獨家的媒體使用權
- Secured exclusive advertising rights to 272 buses in Shenzhen
獲得深圳 272 輛巴士獨家的媒體使用權



2 THE SECOND QUARTER

第二季

April to June
四月至六月

- Established a co-operative joint venture, Chengdu Advertising MPI, in Chengdu
於成都成立合作經營企業「成都媒體伯樂」
- Acquired additional advertising rights to 20 air-conditioned buses in Shanghai
額外獲得上海 20 輛空調巴士之媒體使用權
- Secured advertising rights to 157 buses in Wuhan
獲得武漢 157 輛巴士之媒體使用權
- Chengdu Advertising MPI entered into an Advertising Agency Agreement with 成都運興公交有限公司
成都媒體伯樂與成都運興公交有限公司達成廣告代理協議



3 THE THIRD QUARTER

第三季

July to September
七月至九月

- Secured advertising rights to the whole Beijing Light Rail System
獲得整條北京城鐵系統媒體使用權
- Secured additional advertising rights to 300 buses in Guangzhou
額外獲得廣州 300 輛巴士之媒體使用權
- Set up a new joint venture, Shanghai Zhongle Vehicle Painting Co. Ltd., in Shanghai
於上海成立新合營企業「上海中樂汽車油漆噴塗製作有限公司」
- Acquired advertising rights to a further 142 air-conditioned buses in Shanghai
額外獲得上海 142 輛空調巴士之媒體使用權
- Secured exclusive advertising rights to the entire Cross Harbour Tunnel together with POAD in Hong Kong
聯同 POAD 獲得整條香港海底隧道之獨家的媒體使用權



4 THE FOURTH QUARTER

第四季

October to December
十月至十二月

- Secured additional exclusive advertising rights to 2,000 buses in Beijing
額外獲得北京 2,000 輛巴士之獨家的媒體使用權



Effective Business Strategies

卓越經營策略

Secures long-term and exclusive advertising rights at prime locations

取得在黃金地段之長期及獨家的媒體使用權



CHAIRMAN'S STATEMENT

主席報告書

During 2002, MPI Group strengthened its key position within the outdoor advertising industry in general and Mainland China transport sector in particular, capitalising on industry experience garnered. Spurred by its successful listing in January of 2002, the Group demonstrated its astute growth strategies by securing crucial advertising rights in a number of important, high-traffic urban transport links in Hong Kong and Mainland China. The Group remains committed to demonstrating advertising innovation and excellence, developing long-term partnerships, building multi-city networks, improving sales strategy and acquiring exclusive advertising rights in prime locations in order to achieve its core objective of further increasing shareholder returns.

MPI's business growth and strategies have been and will remain closely integrated with broader long-term trends in Mainland China and Hong Kong. In particular, the Group intends to fully capitalise upon a bullish economy in Mainland China which is on course for projected strong growth in the coming years and which has experienced increasing foreign business presence and market diversity. The strong economy in Mainland China, additionally to be enhanced by Beijing as host of 2008 Olympic Games and Shanghai as host of 2010 World Expo, promises new growth opportunities for the outdoor advertising industry and MPI's business development initiatives.

The advice and support of my fellow directors over the past year has been invaluable, and I express my deepest gratitude. Thanks are also due to the entire management and staff of the Group for their unflinching commitment and energy over the past twelve months, a dedication to build a better MPI.

I believe 2003 offers superb new opportunities for the Group and I look forward to continued growth and success.

Gerald Chan

Chairman

Hong Kong, 19 March 2003

建基於媒體伯樂集團在業內豐富的經驗，本集團於二零零二年進一步鞏固我們於戶外廣告市場及中國內地交通工具範疇的卓越地位。自二零零二年一月成功上市後，本集團致力採取進取的業務發展策略，於香港及中國內地主要城市的高流量交通網絡爭取具關鍵性及位置優越的廣告媒體使用權。本集團承諾會繼續提供無限創意及力臻完善的廣告服務，積極發展長遠的合作夥伴關係，建立跨城市戶外廣告網絡，加強銷售策略以及爭取黃金地段之獨家的廣告媒體使用權，矢志達到進一步提升股東回報的目標。

媒體伯樂的業務發展及策略將會一如既往，緊貼中國內地及香港宏觀及長遠的發展趨勢。預期未來數年中國內地經濟增長強勁，再加上外資企業紛紛進駐中國內地市場，廣告市場亦更趨多元化，我們將會悉力以赴，抓緊面前各種商機。隨著中國內地經濟蓬勃發展，與此同時，在二零零八年北京舉行的奧運會及二零一零年上海主辦世界博覽會的推動下，將會刺激戶外廣告業的發展及為媒體伯樂業務帶來無限的發展機遇。

在此，本人對各董事去年為本集團所付出的努力及給予無限支持而表示由衷的感激，並感謝全體管理層及所有員工在過去十二個月的勤奮表現及對本集團作出的貢獻，驅使本集團業務獲得理想的表現。

本人期盼二零零三年為充滿各種商機的一年，能推動我們業務繼續發展及再創佳績。

陳樂宗

主席

香港，二零零三年三月十九日

致各股東：

於二零零二年，本集團於中國內地及香港的業務均取得顯著的進展。由於我們在香港的營運受到香港市況不景之影響，中國內地市場繼續成為我們的增長動力。我們憑藉矢志成為大中華區具領導地位的戶外廣告媒體網絡供應商的信念，提供多元化的廣告服務以迎合廣告客戶的需要。本集團於二零零二年一月上市，透過我們的業務架構，覆蓋全面的廣告媒體網絡，不斷增長的客戶基礎及具有豐富經驗

的管理隊伍，推動本集團業務不斷拓展，於未來繼續尋求可對本集團帶來裨益的商機。

市場回顧

縱使面對全球經濟放緩，中國內地的經濟持續錄得穩定的增長，二零零二年的中國本地生產總值增幅為每年8%。縱使如此，中國內地廣告市場發展仍遜於世界其他主要國家，正好

反映中國內地戶外廣告業發展潛力雄厚。同時，由於預測二零零二年廣告開支約達九十億美元，因此中國內地戶外廣告開支將繼續保持強勁，預期二零零一至二零零三年的年複合平均增長率逾21%，遠超於中國內地的整體經濟增長。

除了經濟急速發展，未來數年中國內地城市所進行的都市化，將進一步推

CEO'S STATEMENT 行政總裁報告書



Dear Shareholders,

In 2002, the Group achieved numerous business breakthroughs both in Mainland China and Hong Kong. Though our Hong Kong operation was inevitably affected by the poor market sentiment, Mainland China's market continues to be our growth driver. We are driven by our mission to act as a leading outdoor media network provider in the Greater China region, identifying advertiser and customer needs with the provision of a diverse range of advertising services. Given our listing status in January 2002, our business structure, comprehensive media network, growing client base and experienced

management team, the Group has been powering along, exploring many business opportunities with strategic value to the Group in the years ahead.

MARKET REVIEW

In spite of the global economic downturn, the economy in Mainland China continued to record steady growth, with GDP growing at an annual rate of 8% in 2002. However, Mainland China's advertising market remains underdeveloped against major countries around the world, reflecting the enormous potential in the outdoor advertising industry.

Meanwhile, as the estimated advertising spending in 2002 has already reached approximately US\$9 billion, it is expected that Mainland China's outdoor advertising expenditure will remain strong with a 2001-2003 CAGR of over 21%, outpacing Mainland China's overall economic expansion.

Apart from the strong economic growth, Mainland China's fast-growing and massive advertising market will be further driven by its ongoing city urbanisation, in the next few years. Meanwhile, as outdoor advertising spending was predicted to record an increase of 15% in 2002, along with higher passenger

動急速增長及龐大的中國內地廣告市場之發展。與此同時，鑑於二零零二年戶外廣告開支預期錄得 15% 的增長，社會基建項目的迅速發展及交通工具系統大大提高了市民的流動性，加上戶外廣告媒體極具成本效益及長時間與廣告觀眾接觸之特徵，故戶外廣告媒體之千人成本遠低於眾多主要廣告媒體，因此戶外廣告（尤指地下鐵路及巴士範疇）將會成為備受廣告客戶歡迎的重要媒介，讓廣告客戶能更有效地進行市場推廣策略。

香港戶外廣告市場發展較中國內地成熟。以中國內地生產總值及按人均收入與廣告開支作比較，香港戶外廣告業發展維持穩定，而過去十年的增長亦相對地有較健康的發展。由於經濟持續疲弱，香港的整體廣告業務（包括電子廣播及其他媒體）於二零零二年均受到影響。此外，香港二零零二年下半年的整體廣告開支（包括戶外廣告）亦較去年同期減少。

戶外廣告為其中一種最具成本效益的媒體，其大致可分為三種類別，包括廣告牌、交通工具及街道設施，而我們早已於中國內地及香港這三種範疇上建立廣泛的覆蓋網絡。

業務回顧

業務模式

本集團自發展其戶外媒體廣告事業以來，已透過組成策略聯盟而取得長期



mobility resulting from rapid development of the infrastructure and transportation systems, as well as the cost effective characteristics which offer longer audience exposure with the lowest CPM (cost per thousand reached) among the major media, it is expected that outdoor advertising, particularly on the metro and bus line sectors, will become more important and popular for advertisers in the planning of effective marketing strategies.

Compared with Mainland China, Hong Kong's outdoor advertising market is relatively mature. In terms of advertising expenditure as a percentage of GDP and on a per-

capita basis, Hong Kong has remained stable, registering relatively healthy growth in the past decade. Due to the continuous weak economic environment, Hong Kong's overall advertising business, including electronic broadcasting and other media, was adversely affected in 2002. In the meantime, the overall advertising spending in Hong Kong, including outdoor advertising, recorded a decrease in the second half of 2002 as compared with previous year.

Outdoor advertising is one of the most cost-effective media and generally categorised into three main areas, billboards, transportation

and street furniture, areas where we have already developed a strong presence across Mainland China and Hong Kong.

BUSINESS REVIEW

Business Model

Since our establishment in the outdoor advertising industry, we have capitalised on our business model to secure long-term and exclusive advertising rights through strategic alliances. We have also leveraged our **long-term exclusive** concessions to obtain outdoor media at **prime** locations and, in the case of the transport sector, on

及獨家的媒體使用權。我們更以**長期及獨家**的協議形式，取得在**黃金地段**及**主要**交通路線的交通廣告媒體及廣泛的網絡覆蓋領域，使我們能為客戶提供有效的**跨城市**媒體組合，以突顯其媒體價值。

憑藉此成功的經營理念，我們於過去數年在中國內地市場所建立的根基，促使本集團的業務能受惠於中國內地市場的急劇發展。我們於中國內地及香港覆蓋全面的戶外媒體網絡，能夠

為有意作品牌建立項目的廣告客戶提供一個有效及具有重要價值之廣告方案。此成功策略強化了本集團的業務發展，特別是本集團主力發展的地下鐵路及巴士廣告範疇。

策略夥伴

憑藉本集團於中國內地戶外廣告市場已奠定穩健的據點，我們將繼續與媒體擁有者(尤其在中國內地)建立長遠及獨家的策略合作計劃。

本集團於二零零二年五月成立了合作經營企業(「合作經營企業」)「成都媒體伯樂」，以擴展我們在中國內地西南部地區的戶外廣告業務。本集團現已獲得超過 1,800 個位於成都之巴士車身獨家的媒體使用權。

本集團於二零零二年八月成立了兩間合營企業(「合營企業」)。為了能向客戶提供更全面的廣告配套服務計劃，我們於上海成立了「上海中樂」，以為本集團及其他公司提供交



major transit routes, to provide our clients with effective **cross-city** media **packages** with extensive network coverage, that maximise media value.

Riding on this successful business philosophy, the Group is now ideally positioned to profit from the exciting growth prospects in Mainland China that we have built over the years. Our extensive outdoor media network in Mainland China and Hong Kong delivers a significant value proposition to advertisers who are planning to launch effective brand building campaigns. The proven success of these strategies has reinforced the

Group's business development, as greater focus is placed on the metro and bus line sectors.

Strategic Alliances

Having established a strong foothold in the outdoor advertising industry, the Group continues to establish long-term and exclusive strategic co-operation with media owners, particularly in Mainland China.

In May 2002, we established a co-operative joint venture ("CJV"), Chengdu Advertising MPI, to expand our outdoor advertising business in the southwestern region of Mainland China. The Group has now been able to secure exclusive

advertising rights to over 1,800 bus bodies in Chengdu.

In August 2002, the Group established two additional joint ventures ("JVs"). Aiming to offer a more comprehensive advertising service package to customers, Shanghai Zhongle was set up in Shanghai to provide production related services for the transport advertising media needs both of the Group and other companies. The other joint venture, Livebrand Networks Limited, was set up in Hong Kong. With the continuing development and application of new technologies, the introduction of dynamic in-mall advertising is



Long-term Strategic Alliances

長遠策略性聯盟

Established seven joint ventures in Mainland China
於中國內地成立七間合營企業



通工具廣告媒體製作及相關服務。另一間合營企業「Livebrand Networks Limited」亦於香港成立。我們透過不斷發展及應用高科技，計劃於二零零三年能聯繫一系列購物商場之廣告網絡，把多元化的商場廣告引進香港及中國內地各城市。

於二零零二年底，本集團已於中國內地成立了七間合營企業及另外三個辦事處。本集團現正考慮成立其他合營企業，以進一步加強我們於中國內

地其他地區的覆蓋範圍。

位處黃金地段的媒體網絡

本集團多年來已建立了完善的交通工具媒體及覆蓋全國超過 53 個城市的網絡。現時，本集團已於中國內地及香港獲得超過 53,000 個廣告位置之獨家的媒體使用權。除了提供一系列全面的服務外，本集團亦協助國際客戶及中國內地廣告客戶進行全國推廣計劃。

地鐵網絡

為鞏固於中國內地的媒體網絡，我們矢志進軍主要城市之地鐵系統。於二零零二年七月，我們成功獲得北京城鐵系統為期 18 年之獨家的廣告專利權，此獨家經營權於二零零三年一月一日起生效。是次發展為本集團的業務奠定重要里程碑。由於整條鐵路貫穿住宅區、奧運村及中關村科技園，故預期乘客流量極高。隨著市場對輕鐵廣告位置需求若渴，我們將不斷增加媒體數目，以滿足客戶需要。



being planned for cities in Hong Kong and Mainland China through a network linking a series of shopping malls in 2003.

At the end of 2002, the Group had established seven JVs and three other offices in Mainland China. Other JVs are being considered to further strengthen the Group's presence in the other parts of Mainland China.

Media Network at Prime Locations

Over the years, the Group has established an extensive transit media and geographical presence across 53 cities in Mainland China. At present, the Group has secured

the exclusive advertising rights to over 53,000 advertising spaces in Mainland China and Hong Kong. Together with a comprehensive range of services, the Group is facilitating both international and national advertisers to launch nationwide campaigns.

Metro Network

Enhancing our media network in Mainland China, we aim to penetrate the metro systems in the major cities. In July 2002, we successfully secured the exclusive advertising rights within the Beijing Light Rail System, for a period of 18 years, commencing 1 January 2003. This marks a major milestone

for the Group. As the railway passes through residential areas, the Olympic Village and the Zhongguancun Science and Technology Park, high passenger flows are expected. Advertising spaces are being progressively set up in view of the increasing demand for advertising within the light rail system.

Coupled with the Shanghai and Guangzhou metro lines, as well as the success in securing exclusive advertising rights to the Hong Kong Airport Express Line ("AEL"), which came into effect on 1 January 2002, and the Beijing Light Rail System, the Group is now the only company

憑藉我們於上海及廣州的地鐵路線廣告專利權，連同成功取得自二零零二年一月一日起生效之香港機場快綫以及北京城鐵系統獨家的媒體使用權，本集團乃唯一一間於大中華區擁有龐大鐵路網絡的公司，標誌著我們能於北京、上海、廣州及香港四個主要城市提供此等鐵路之獨家的廣告媒體專利權。成功進軍北京城鐵系統不但鞏固了我們於中國內地地鐵及輕鐵系統之市場覆蓋，而且擴大我們於全國交通工具系統範疇的業務領域，更突顯

我們作為中國交通工具廣告市場翹楚之地位。

與此同時，隨著中國內地主要城市地鐵路線之使用日趨普遍，預期每日乘客量將急劇上升，本集團客戶之廣告將能呈現於與日俱增的目標優越顧客。此外，我們全面的地鐵網絡亦使我們的客戶能有效地向全國推行其廣告。除了標準燈箱外，我們亦推出多元化的媒體種類，以不同形式的廣告媒體計劃滿足客戶作市場推廣之需求。

巴士

中國內地的戶外廣告市場現正急速發展，本集團已於重要城市獲得主要巴士路線之獨家的媒體使用權。以南京、重慶及成都為例，我們已獲得市內巴士車隊之獨家的媒體使用權，主導該等城市的巴士廣告市場。

年內，我們進一步獲得超過 2,600 個巴士廣告權，其中包括 2,000 部行走於北京、300 部於廣州、162 部於上海及 157 部於武漢之巴士車身廣告



capable of providing a mass transit network in Greater China. This means that we are able to market exclusive media rights to the four major metropolitan cities - Beijing, Shanghai, Guangzhou and Hong Kong - in the region. The strong penetration in the Beijing Light Rail System, has strengthened our market presence in the metro and light rail systems in Mainland China, expanding our nationwide coverage of mass transport systems, and enabling us to stand out clearly as a frontrunner in the transport advertising market in China.

At the same time, along with the increasing popularity of metro lines

in the major cities in Mainland China, the number of daily passengers is expected to rise sharply, which in turn will provide our clients with a captive and growing urbane and affluent audience base for their advertising needs. Additionally, our extensive metro network allows our clients to effectively implement their advertising campaigns on a nationwide basis. We also offer a wide selection of media formats, apart from standard lightboxes, providing more tactical media packages to meet customers' marketing needs.

Buses

In Mainland China, where the

outdoor advertising market is in the midst of rapid expansion, the Group has also secured exclusive advertising rights along prime bus routes in major cities. For instance, in Nanjing, Chongqing and Chengdu, we have secured exclusive advertising rights to dominate the bus advertising market in these cities.

During the year, we secured additional bus advertising rights for over 2,600 buses, including 2,000 buses in Beijing, 300 buses in Guangzhou, 162 buses in Shanghai and 157 buses in Wuhan. We believe that further extending our presence in bus body advertising will enable our clients to take advantage of the

權。我們深信進一步拓展巴士車身廣告，將能令我們之客戶的廣告藉著巴士行走於區內繁忙的交通路線而深受注目，以及享有完善的地域覆蓋，能把廣告信息以更具成本效益的方式傳達予目標顧客。

廣告牌

廣告牌最能讓廣告客戶有效地推行建立品牌之用，故為其中一種深受歡迎之戶外廣告媒體。年內，我們與 POAD 共同在二零零二年九月成功取

得整條海底隧道所有廣告位獨家的使用權，進一步加強我們在香港戶外廣告市場的領導地位。海底隧道乃香港其中一個交通流量極高的地段。除了我們一貫主力發展交通工具媒體廣告外，我們將尋求機會，以拓展我們在中國內地市場廣告牌之滲透率。

策略

年內，我們實行了連串措施以提升中國內地及香港的業務銷售表現。我們於二零零二年為逾1,800個廣告客戶提供媒

體服務，較二零零一年增加 31%。隨著中國內地加入世貿後，外國企業對廣告需求不斷增加，再加上為配合我們提供全面的廣告服務策略，我們以強大的銷售及市場推廣隊伍作後盾，致力為客戶提供一站式全面的廣告服務。於上海成立的合營企業為客戶提供全面的製作服務，反映我們為客戶提供完善廣告配套服務計劃的決心。



heavy traffic flows in each city, and enjoy attractive geographical coverage to cost-effectively reach target audiences.

Billboards

Billboards act as a popular outdoor media format for advertisers to launch an effective brand building exercise. During the year, we reinforced our leading position in the Hong Kong outdoor advertising market by successfully securing, in conjunction with POAD, the advertising rights at the entire Cross Harbour Tunnel in September 2002. The Cross Harbour Tunnel is one of the highest traffic flow sites in Hong Kong. Apart from our continuous

focus on the mass transport sector, we are exploring opportunities to expand our billboard coverage in Mainland China.

Strategies

During the year, we launched a range of initiatives to improve our sales performance both in Mainland China and Hong Kong. Compared to 2001, we provided media services to over 1,800 advertising clients, an increase of 31%. Along with the increasing advertising demand from foreign enterprises after Mainland China's entry to WTO and in line with our strategy to provide comprehensive advertising services, we are targeting to offer "one-stop

shop" comprehensive advertising services to our clients, supported by our strong sales and marketing team. The establishment of a JV in Shanghai to provide extensive production related services demonstrates our commitment, to provide a comprehensive advertising service package.

At the same time, to enhance our competitive edge and to further enhance our client base, we are committed to investing resources, conducting regular marketing research exercises to update growing outdoor advertising market needs, enabling us to generate innovative ideas, implement effective

與此同時，為了提升我們的競爭優勢及強化客戶基礎，我們致力投放資源，定期進行市場研究活動，以充份了解戶外廣告市場瞬息萬變的需要，藉此啟發創新意念，推行有效的廣告計劃及提供令客戶滿意的廣告解決方案，從而招攬新客戶。此外，我們的銷售及推廣側重針對不同類型廣告客戶的需求，提供更富彈性及全國的策略性廣告配套計劃，以及針對高消費的廣告客戶，如保健、醫藥、金融服務及高流量消費品等行業。

與此同時，透過招聘及培訓計劃，物色及保留優秀的銷售及市場專才，藉以鞏固我們的銷售隊伍，因而我們已與眾多中國內地之重點客戶及國際品牌之廣告客戶如「諾基亞」、「阿爾卡特」及「中國石化國際事業有限公司」等建立深厚關係。憑藉我們遍佈中國內地主要城市之全國媒體網絡，我們矢志透過其優秀的銷售隊伍進一步強化我們對全國重點客戶之銷售。

於回顧年內，香港的經濟持續不景

氣，戶外廣告市場的表現在整體廣告支出下降的情況下亦受到影響。然而，全賴香港及中國內地之銷售團隊連結成強橫的工作隊伍，我們成功鼓勵及引入中國內地的新客戶，如「上海網球大師杯賽」、「溫州國際大酒店」及「海天醬油」，投放廣告於我們香港的戶外廣告位置。

由於全球經濟境況嚴峻，故二零零二年為充滿挑戰的一年，而我們於香港的戶外廣告業務亦受到香港市況不景



advertising plans and provide satisfactory advertising solutions to explore new accounts. We have also focused our sales and marketing on serving the needs of various types of advertisers, by offering more flexible and tactical nationwide packages, as well as by developing accounts in growing industries with high advertising spending growth; for example, healthcare, pharmaceuticals, financial services and fast moving consumer goods.

Additionally, through the strengthening of our sales force with the extension of recruitment and training programs to recruit and retain top-level sales and marketing

professionals, we have built up relationships with a number of national key accounts and international brand name advertisers, such as Nokia, Alcatel, China Petrochemical International Co., Ltd., etc. Leveraging our well-established nationwide media network cross major cities in Mainland China, we are seeking to further increase our sales to national key accounts through our quality sales team.

In the year under review, Hong Kong economy remained sluggish, while the performance of the outdoor advertising market was hampered as overall advertising expenditure dropped. However, due to a joint

task force between the sales teams in Hong Kong and Mainland China, we successfully encouraged and cultivated new clients in Mainland China, such as Shanghai Tennis Masters Cup, Wenzhou International Hotel and Hai Tian Soya Sauce, to place advertisements on our outdoor advertising spaces in Hong Kong.

Confronted by the continuing difficult global market circumstances, 2002 has been a challenging year and our outdoor advertising business in Hong Kong has been adversely affected by the poor market sentiment in Hong Kong. To further strengthen our competitive edge in the Hong Kong market, the Group



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之影響。為了進一步鞏固我們在香港市場的競爭優勢，本集團一直以審慎態度重新評估快將約滿之廣告位合約，將資源適當地調往其他更具成本效益及風險較低之戶外廣告媒體。

前瞻

展望未來，憑藉我們一貫致力提升服務以達致推動廣告銷售的目標，及擴展我們的全國媒體覆蓋以作為主要盈

利來源的信念，中國內地市場佔本集團總營業額的份額已由二零零一年的66%增加至二零零二年的75%。有見於中國內地的經濟持續穩定增長、加入世貿組織、二零零六年於上海興建環球片場、二零零八年於北京舉辦奧運會及二零一零年上海主辦世界博覽會，我們深信由於本集團專注發展具龐大增長潛力的地下鐵路及巴士路線項目，故我們對前景充滿信心。

擴展中國內地媒體網絡

預期未來數年將有超過10條新地下鐵路路線竣工，我們成功取得北京城鐵系統之獨家的媒體使用權，無疑為我們進一步發展中國內地一系列地下鐵路項目奠定根基。隨著北京城鐵於二零零三年年初全線通車及乘客量不斷增加，我們預期北京城鐵系統之地下鐵路廣告銷售將可獲得理想的回報。本集團有意於來年參與競投其他中國內地之地下鐵路媒體使用權。由於本集團於大中華區擁有經營主要地下鐵



has been moving cautiously, selectively reviewing soon-to-expire site contracts and, where appropriate, shifting resources to other more cost-effective and lower risk outdoor advertising media.

OUTLOOK

Consistent with the Group's mission to both enhance our services to drive advertising sales and to extend our nationwide media coverage as a major profit driver, Mainland China accounted for 75% of total turnover in 2002 compared to 66% in 2001. In view of the continuing and stable economic growth in Mainland China,

Mainland China's accession to WTO, the building of Universal Studios in Shanghai in 2006, the hosting of the 2008 Olympic Games in Beijing and 2010 World Expo in Shanghai, we are confident that the Group's prospects are bright, especially with our focus on the metro and bus line sectors which have high growth potential.

Expanding the Media Network in Mainland China

Looking ahead, it is presently expected that over 10 metro lines to be completed over the next few years. Indeed, our successful securing of exclusive advertising rights within the Beijing Light Rail System sets the

pace for our further advancement in the forthcoming series of metro projects in Mainland China. With full operation in early 2003 and passenger flow increases, we expect the Beijing Light Rail System's metro advertising sales to achieve promising returns. In the coming year, the Group intends to bid for other metro advertising rights in Mainland China. Capitalising on the Group's successful track record with major metro lines in the region, we will be able to expand our nationwide coverage of transport systems.

For bus body advertising, we will continue to identify and tap new markets while expanding our

路路線廣告的豐富經驗，我們定能擴大至覆蓋全國交通工具範疇。

我們會繼續發掘及開拓巴士車身廣告新市場，與此同時，我們並會於現已建立覆蓋之城市繼續擴展我們的市場份額。此外，有見於廣告板廣告在中國內地市場日漸普及，我們將會尋求機會以伸展廣告板媒體之覆蓋。這些計劃將有助我們進一步鞏固本集團於戶外廣告行業的領導地位。

開拓嶄新科技以吸引新客戶

與此同時，我們正擴闊媒體領域以鞏固業內的地位，及更能滿足客戶對全面媒體的渴求。透過應用先進科技，我們於中國內地及香港等地跨城市引入具動感的商場內標誌網絡，預期藉著建立網絡聯繫一系列購物商場，促使廣告客戶能觸及龐大消費群，從而為本集團業務帶來無盡商機。透過成立「Livebrand Networks Limited」，我們現正與商場發展商就來年推行有關項目而進行磋商。我們計劃於發展

初期將此先進標誌系統引入中國內地主要城市數個購物商場作試點。

提升媒體價值

全賴本集團擁有提供全覆蓋及高媒體價值的優勢，致使我們能於戶外廣告業內擔當領導的角色。展望未來，我們亦會擴大本集團於中國內地南部及北部巴士車身廣告範疇之覆蓋，並配合我們把重點投放於優越位置及主要巴士路線的既有業務策略。同時，本集團將積極於現有戶外廣告媒體上，推出更多創新的戶



market share in the cities where we have already penetrated. Moreover, given the increasing popularity of billboard advertising in Mainland China, we will explore opportunities to extend our media coverage in the billboard sector. These moves will enable us to further strengthen our prominent position in the outdoor advertising industry.

Developing New Technology to Attract New Clients

At the same time, we are broadening our media offerings to enhance our industry position and better satisfy client needs for comprehensive coverage. With the application of leading-edge technology, we see

numerous opportunities to introduce a dynamic in-mall signage system across cities in Mainland China and Hong Kong, establishing a network linking a series of shopping malls to allow advertisers to reach heavy customers flows. With the set up of Livebrand Networks Limited, we are negotiating with mall developers for their partnerships in the project's implementation in the coming year. In the first phase, we plan to introduce this innovative signage system to selected pilot trial malls in the major cities in Mainland China.

Maximising Media Asset Values

Our prominent role in the outdoor

advertising industry is built upon our unique advantages in delivering total media coverage with maximum media value. Moving forward, we will also extend our offerings in the arena of bus body advertising to southern and northern parts of Mainland China, focusing on prime locations and major bus routes in line with our business strategy. Meanwhile, the Group is pursuing the marketing of more innovative outdoor advertising formats for our existing outdoor media, which will create attractive visual impact with higher media values.

Moreover, as the Hong Kong economy has yet to show signs of a

外廣告形式，從而加強視覺效果及提高媒體價值。

此外，由於香港經濟尚未有復甦跡象，本集團將會繼續採取審慎的策略，於未來數月重新評估快將約滿之廣告位合約，以降低所需承擔之保證費，藉此維持我們於香港的競爭優勢。預期於二零零三年下半年能達致成效。

組成長期策略性聯盟

除現有七間合營企業外，我們會尋求合適商機以建立長遠的策略夥伴關係。同時，我們計劃透過與內地媒體擁有者組成策略聯盟，以加強我們在華南地區的覆蓋範圍。

一如其他已發展市場，有見於整合的趨勢及中國內地發展潛力無限，預計市場將持續出現整合、合併及收購之潮。我們計劃與上海及其他中國內地主要城市擁有多元化媒體的著名戶外

媒體營運商，及交通工具範疇以外的媒體擁有者組成聯盟。我們不斷擴闊於廣告界之專業水平，藉此提升我們整體的媒體登掛率。

拓展新增長行業以擴闊客戶基礎

隨著本集團業務不斷擴展，我們的銷售專業人員將繼續與大型客戶保持聯繫，並針對全國主要客戶及具高廣告消費增長的新興行業，如保健、醫藥、金融服務及高流量消費品等行業。我們的銷售



rebound, the Group will continue to take a cautious attitude in soon-to-expire contracts reviewing the situation over the next few months to reduce the guarantee payments in order to maintain a competitive position in Hong Kong. These effects are expected to be reflected in the second half of 2003.

Developing Long-term Strategic Alliances

In addition to our existing seven JVs, we will continue to seek appropriate opportunities to establish long-term strategic alliances. We intend to enhance our presence in the southern part of Mainland China through the formation of strategic alliances with

local media owners.

Like other developed markets, in view of the growing trend for consolidation and the immense potential in Mainland China going forward, consolidation, mergers and acquisitions are likely to continue. We aim to develop alliances with leading outdoor media operators with a wide range of media in Shanghai and other major cities in Mainland China, as well as with media owners beyond the transport sector. We aim to broaden our expertise in the industry and, in turn, to further enhance our overall occupancy rates.

Broadening Client Base with New Growth Industries

As the Group expands, we will continue to align our team of sales professionals with our leading clients by actively building national key accounts and new growth industry categories, such as healthcare, pharmaceuticals, financial services and fast moving consumer goods, with high advertising spending growth. Our sales team will target larger and more cost-efficient deals, as well as exploring possibilities for cross-city advertising, which will expand our client portfolio and increase occupancy rates and overall yield.

隊伍將以大型及具成本效益的銷售合約為主目標，同時亦尋找跨城市的廣告商機，藉以擴闊我們的客戶群，提高登掛率及提升整體盈利。

總結

本集團管理層把來年各種挑戰視為我們實現長遠目標而必須經歷的階段。憑藉本集團獨家及覆蓋全國的媒體網絡、優質及具增值的廣告服務、多元

化的客戶群、穩健的業務基礎及專業管理人才，本集團已準備就緒，定能把握面前各種機遇。我們深信這不僅能帶動我們的業務增長，鞏固我們作為大中華區首屈一指的戶外廣告媒體網絡供應商的地位，最終為我們的股東帶來長遠及可觀的回報。

致謝

最後，本人希望藉此機會對本集團的

客戶、供應商、商業夥伴、往來銀行及股東們對本集團一貫鼎力支持而表示感謝。我們亦在此向各竭盡所能的員工致以衷心謝意。員工乃我們最寶貴的資產，對本集團為達致成功而作出寶貴的貢獻。跨步未來，本集團管理層將繼續與員工緊密合作，帶領本集團業務再闢高峰。

杜碧珊

行政總裁

香港，二零零三年三月十九日



CONCLUSION

The Group's management views the challenges that will inevitably arise in the coming year as vital stepping stones leading to sustainable long-term achievement. Armed with the Group's exclusive and nationwide geographical media network, value-added quality advertising services, comprehensive client base, solid business foundations and professional management expertise, the Group is in a highly advantageous position to grasp the many new business opportunities ahead. We are confident that this will not only further accelerate our business growth but also strengthen

our position as a prominent outdoor media network provider in Greater China and, ultimately, generate long-term sustainable returns for our shareholders.

APPRECIATION

Finally, I would like to take this opportunity to express our sincere thanks to our clients, suppliers, business partners, bankers and shareholders for their continuous support. Our thanks also go to our dedicated staff for their wholehearted commitment. They are our precious assets, contributing to the Group's quest to achieve

ongoing and successful development. As we move forward into the future, the Group's management will continue to work closely together to bring the Group's business to yet further new highs.

Winnie To

Chief Executive Officer

Hong Kong, 19 March 2003

A large, vintage-style mobile phone is mounted vertically on the side of a modern building. The phone's screen displays a large '@' symbol. The building has several spotlights mounted on its roof. In the foreground, a yellow taxi is partially visible on a street. The entire scene is overlaid with a semi-transparent yellow filter.

Superior Media Coverage 優越廣告位置

Accesses exclusive advertising rights to over 53,000 advertising spaces in Mainland China and Hong Kong

於中國內地及香港取得超過 53,000 個廣告位置之獨家的媒體使用權



...With **Unparalleled**
Geographical Network
完善地利網絡

TYPES OF MEDIA
媒體類別

LOCATION
位置

ADVERTISING SPACES
廣告位置數目



TRANSPORT
交通工具

Bus Bodies
 交通工具

Mainland China
 中國內地

15,672

Metro Systems
 地下鐵路

Mainland China and Hong Kong
 中國內地及香港

33,912

Taxis
 的士

Hong Kong
 香港

737



BILLBOARDS & STREET FURNITURE
廣告牌及街道設施

Billboards & Street Furniture
 廣告牌及街道設施

Mainland China and Hong Kong
 中國內地及香港

3,070

TOTAL
總數

53,391











★ Cities in which MPI Group has secured advertising rights

本集團已獲得媒體使用權之城市

● Transit advertising network

運輸廣告網絡

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

For the year ended 31 December 2002
截至二零零二年十二月三十一日止年度

	Mainland China 中國內地	Hong Kong 香港	Unallocated corporate 不劃分企業	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover 營業額	218,903	71,901	–	290,804
One-off provision for onerous contracts 合約承擔虧損之一筆過撥備	–	(12,626)	–	(12,626)
EBITDA & before one-off provision 未計一筆過撥備前之 EBITDA	54,373	(23,558)	(4,175)	26,640
Adjusted EBITDA & before one-off provision 未計一筆過撥備前之經調整 EBITDA	67,362	(21,612)	(4,175)	41,575
Profit/(loss) attributable to shareholders 股東應佔溢利/(虧損)	11,932	(35,620)	(6,253)	(29,941)

For the year ended 31 December 2001
截至二零零一年十二月三十一日止年度

	Mainland China 中國內地	Hong Kong 香港	Unallocated corporate 不劃分企業	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover 營業額	171,851	87,125	–	258,976
EBITDA EBITDA	59,652	2,556	–	62,208
Adjusted EBITDA 經調整 EBITDA	71,208	6,946	–	78,154
Profit attributable to shareholders 股東應佔溢利	17,972	5,415	–	23,387

Overview

Mainland China operations continued to be the focus of the Group with the turnover from Mainland China accounting for 75% (2001: 66%) of the Group's turnover and operations continuing to be profitable. The Hong Kong operations recorded a loss for the first time as a result of the difficult economic environment in Hong Kong. Due to the less satisfactory performance of the Hong Kong operations, the Group sustained a loss of HK\$29.9 million (including a one-off provision of HK\$12.6 million for onerous site rental contracts in Hong Kong) in 2002 compared with a profit of HK\$23.4 million in 2001. Despite the loss sustained in 2002, the Group continued to generate a positive cashflow from operations which totalled HK\$21.9 million in 2002 (2001: HK\$57.6 million).

Turnover

The Group's turnover increased by 12% to HK\$290.8 million with turnover from Mainland China increasing by 27% to HK\$218.9 million and turnover from the Hong Kong operations decreasing by 17% to HK\$71.9 million. The satisfactory increase in turnover from the Mainland China operations was mainly due to the increasing preference for and growing demand for outdoor advertising in Mainland China.

Combined turnover of the Group, including the turnover of the three jointly controlled entities (Shanghai Metro JV, Guangzhou Metro JV and Shanghai Production JV) and the associate (POAD), increased to HK\$477.2 million in 2002 from HK\$423.3 million in 2001, representing growth of 13%.

Advertising on bus bodies and in metro systems together represented 58% of the combined turnover compared with 55% in 2001, indicating that advertising in the transport sector continues to be the major focus of the Group.

Gross margins, being turnover less direct costs, site rentals and amortisation of advertising rights from the Mainland China operations also showed an improvement from 23% in 2001 to 26% in 2002. Gross margins from the Hong Kong operations were a negative 19% in 2002 compared with a positive 12% in 2001. The gross loss was mainly due to a drop in turnover and the relatively fixed site rental of the Hong Kong operations

Other revenue and other net income

Other revenue and other net income decreased by HK\$6.2 million mainly due to a decrease in receipt of incentives from the Nanjing government and decreases in other income which were mainly non-recurring.

概覽

中國內地業務仍然為本集團之重點發展。來自中國內地業務之營業額佔本集團營業額之75%（二零零一年：66%），並繼續保持盈利。由於香港經濟不景氣之關係，本集團在香港之業務首度錄得虧損。香港業務表現未如理想，導致本集團於二零零二年蒙受虧損為29,900,000港元（包括就香港廣告位之合約承擔而作出之一筆過撥備12,600,000港元），而於二零零一年則取得溢利23,400,000港元。雖然本集團於二零零二年錄得虧損，但本集團之流動現金仍然充裕，於二零零二年之經營現金流入合共達21,900,000港元（二零零一年：57,600,000港元）。

營業額

本集團之營業額增長為12%，至290,800,000港元，其中來自中國內地之營業額上升為27%，至218,900,000港元，而來自香港業務之營業額則下降17%，至71,900,000港元。中國內地業務增長理想，主要是由於中國內地市場日趨傾向投放戶外廣告，令有關需求上升所致。

連同本集團三間共同控制實體（上海華智、廣州永通及上海中樂）及聯營公司（POAD）之營業額計算，本集團之合併營業額由二零零一年之423,300,000港元增長至二零零二年之477,200,000港元，增幅達13%。

巴士車身廣告及地下鐵路廣告共佔合併營業額之58%，而於二零零一年則佔55%，反映交通工具範疇之廣告業務繼續成為本集團之重點發展。

中國內地業務之毛利率（即營業額扣除直接成本、廣告位租金及媒體使用權攤銷）亦由二零零一年之23%提升至二零零二年之26%。香港業務於二零零二年之毛虧損為19%，而二零零一年之毛利率則為12%。出現毛虧損主要乃由於營業額下降及香港業務之廣告位租金較為固定所致。

其他收入及其他收益淨額

其他收入及其他收益淨額減少6,200,000港元，主要是由於南京市政府所提供之獎勵津貼，以及其他非經常性收入減少所致。

Operating expenses

Site rentals, being the largest component of the Group's operating expenses, amounted to HK\$94.3 million, 70% of which related to the Hong Kong operations. Other direct costs were mainly variable and comprised media buying, business tax and production costs.

Staff costs, including directors' fees, of the Group increased by 28% to HK\$33.7 million (2001: HK\$26.2 million). The increase was due to salary increments in Mainland China and an increase in the number of employees. Total employees increased by 74 to 273 (2001: 199), of which 243 (2001: 179) are in Mainland China and 30 (2001: 20) are in Hong Kong. The additional 64 employees in Mainland China was to meet with the business expansion in Mainland China, to develop the newly secured exclusive metro advertising rights on the Beijing Light Rail System and for the newly established subsidiary in Chengdu. As a percentage of turnover, staff costs represented 12% (2001: 10%) of turnover, and the percentage for the Mainland China operations was maintained at approximately 10% for both 2002 and 2001. However, the average staff cost per employee per month decreased in 2002.

Other operating expenses of the Group increased by HK\$12.7 million to HK\$29.0 million (2001: HK\$16.3 million). Higher operating expenses were principally due to corporate expenses of HK\$4.2 million incurred as a result of the Company being listed, an increase in office rental of HK\$1.2 million for the newly established joint ventures and offices, an increase in marketing expenses of HK\$3.0 million for acquiring marketing information, such as metro advertising surveys, media placement and advertising spending reports for enhancing the Group's forward planning of the outdoor advertising market in Mainland China and an increase in provision for bad debts of HK\$0.7 million. The provision for bad debts for the year was HK\$2.6 million (2001: HK\$1.9 million) which is below 1% of the Group's turnover.

Provision for onerous contracts

The provision of HK\$12.6 million for onerous contracts made in 2002 is a one-off provision for certain onerous Hong Kong site rental contracts which will expire in 2003. As the economy of Hong Kong has shown no signs of a quick recovery in the short term and the outlook for the advertising industry in 2003 is poor, management took a prudent approach to make a provision for expected losses arising from those onerous site rental contracts.

Finance costs

Finance costs increased by HK\$3.9 million from HK\$7.4 million in 2001 to HK\$11.3 million in 2002. The increase was mainly due to the payment of interest on the Convertible Bond and interest in respect of a bank loan of HK\$74.8 million for the Beijing Light Rail System. This bank loan is a

經營開支

佔本集團比重最大的經營開支為廣告位租金，金額 94,300,000 港元，當中香港業務佔 70%。其他直接成本主要為變動成本包括媒體代理費、營業稅及製作成本。

本集團之僱員成本（包括董事袍金）升幅為 28%，至 33,700,000 港元（二零零一年：26,200,000 港元），此增幅乃由於中國內地員工加薪及增聘員工所致。僱員總數增加 74 名至 273 名（二零零一年：199 名），其中 243 名為中國內地員工（二零零一年：179 名），30 名為香港員工（二零零一年：20 名）。其中 64 名增聘之員工乃受聘於擴展中國內地之業務、負責發展北京城鐵系統之鐵路廣告，以及新成立之成都附屬公司。僱員成本佔本集團營業額之 12%（二零零一年：10%），中國內地業務之有關比例於二零零一及二零零二年均維持約 10% 之水平，而每名員工每月之平均僱員成本在二零零二年則有所下降。

本集團其他經營開支為 29,000,000 港元，增幅為 12,700,000 港元（二零零一年：16,300,000 港元）。經營開支大幅增加，主要乃由於：本公司上市後帶來 4,200,000 港元之企業開支、因新成立合營企業及辦公室而令辦公室租金支出增加 1,200,000 港元、為加強本集團對中國內地戶外廣告未來發展之市場研究開支（如地鐵廣告調查、投放媒體及廣告開銷報告等）增加 3,000,000 港元，而壞賬撥備亦增加 700,000 港元。本年度之壞賬撥備為 2,600,000 港元（二零零一年：1,900,000 港元），佔本集團營業額不足 1%。

合約承擔虧損撥備

二零零二年度作出之合約承擔虧損撥備 12,600,000 港元，乃就若干有合約承擔而將於二零零三年屆滿之香港廣告位租約作出之一筆過撥備。鑒於並無跡象顯示香港經濟可在短期內復甦，而且二零零三年廣告業前景依然欠佳，管理層為審慎起見，就該等有合約承擔之廣告位租約之預期虧損作出撥備。

融資成本

融資成本由二零零一年之 7,400,000 港元增加至二零零二年之 11,300,000 港元，增幅為 3,900,000 港元，主要是由於支付可換股債券利息及就北京城鐵系統所借入 74,800,000 港

temporary arrangement and upon the increase of registered capital of Shanghai Media Partners International Ltd., the bank loan will be replaced by a capital contribution.

EBITDA and loss attributable to shareholders

EBITDA and adjusted EBITDA for the Group were HK\$14.0 million (2001: HK\$62.2 million) and HK\$28.9 million (2001: HK\$78.2 million) respectively. The loss attributable to shareholders was HK\$29.9 million compared with a profit of HK\$23.4 million in 2001. The loss was mainly due to the operating loss of HK\$23.0 million and the one-off provision of HK\$12.6 million for Hong Kong operations resulting from the general downturn in the Hong Kong economy and the sluggish demand for outdoor advertising in Hong Kong.

SEGMENTAL ANALYSIS

Mainland China operations

The Group's Mainland China operations maintained continuous growth with turnover increasing by 27% to HK\$218.9 million and combined turnover, including the turnover of the two metro joint ventures and the production joint venture, increasing by 23% to HK\$337.7 million. Of the combined turnover, advertising on bus bodies and metro systems, in aggregate, accounted for 79%.

With the success in securing exclusive advertising rights within the Beijing Light Rail System, the sales teams of the Group have been re-structured and a designated sales team has been assigned to develop and promote metro advertising across the Group's three metro media systems in Beijing, Shanghai and Guangzhou. Turnover from the two metro joint ventures in Shanghai and Guangzhou increased by 14% to HK\$117.5 million, compared with HK\$103.2 million in 2001. This indicates the increasing popularity of metro advertising media. The Group's share of profits of the two metro joint ventures also showed an increase of 5% from HK\$15.1 million in 2001 to HK\$15.8 million in 2002.

The core advertising business in Mainland China remains strong with profits after direct costs (including site rentals and amortisation) increasing by 44% to HK\$56.3 million and related profit margins also recorded an improvement from 23% in 2001 to 26% in 2002. This demonstrates the Group's prominent position in Mainland China.

Other revenue decreased by HK\$6.8 million mainly due to a decrease in receipt of incentives from the Nanjing government of HK\$4.2 million and decreases in other income which were mainly non-recurring.

元之銀行貸款利息所致。此項銀行貸款只屬暫時性安排，當上海梅迪派勒廣告有限公司之註冊資本增加後，即會以注資形式取代銀行貸款。

EBITDA及股東應佔虧損

本集團 EBITDA 及經調整 EBITDA 分別為 14,000,000 港元（二零零一年：62,200,000 港元）及 28,900,000 港元（二零零一年：78,200,000 港元）。股東應佔虧損為 29,900,000 港元，相對二零零一年之溢利為 23,400,000 港元。出現虧損主要是香港業務出現 23,000,000 港元之經營虧損及 12,600,000 港元之一筆過撥備，構成這些虧損是因為香港經濟疲弱及香港戶外廣告需求放緩所致。

業務分析

中國內地業務

本集團之中國內地業務持續增長，營業額為 218,900,000 港元，增幅為 27%，而當中包括兩間地鐵合營企業及一間製作合營企業之合併營業額為 337,700,000 港元，增幅為 23%。巴士車身廣告及地下鐵路廣告之比重佔合併營業額之 79%。

本集團成功獲得北京城鐵系統之獨家的媒體使用權後，已重組旗下之銷售隊伍，並指派一隊銷售人員專責開拓和推廣本集團在北京、上海及廣州三個地鐵媒體系統之廣告。上海和廣州兩間地鐵合營企業之營業額為 117,500,000 港元，較二零零一年之 103,200,000 港元，增長為 14%，正正地反映地鐵廣告之受歡迎程度與日俱增。本集團應佔該兩間地鐵合營企業之溢利亦從二零零一年之 15,100,000 港元上升 5% 至二零零二年之 15,800,000 港元。

本集團於中國內地重點經營之廣告業務表現仍然強勁，扣除直接成本（包括廣告位租金及攤銷）後盈利增長至 56,300,000 港元，增幅為 44%；而相關毛利率亦由二零零一年之 23% 提升至二零零二年之 26%，反映出本集團在中國內地之領導地位。

其他收入減少為 6,800,000 港元，主要原因在於南京市政府所提供之獎勵津貼減少 4,200,000 港元，以及其他非經常性收入下降所致。

With a decrease in other revenue, increase in staff costs of HK\$5.8 million due to salary increments and headcount increases in Mainland China, increase in other operating expenses by HK\$8.0 million (mainly comprising an increase in marketing services for metro system surveys and media spending information), increase in finance costs of HK\$1.9 million, the net profit of the Mainland China operations was HK\$11.9 million for the year compared with HK\$18.0 million in 2001.

If other revenue and the finance costs were excluded in both years, the profit before taxation from core business of Mainland China would be amounted to HK\$22.4 million for 2002, representing growth of 17% compared with HK\$19.2 million in 2001.

Hong Kong Operations

Inevitably adversely affected by continuous deflation and the depression of the economy of Hong Kong and less flexibility in the fixed site rentals of the Hong Kong operations, the Hong Kong operations suffered a loss for the first time of HK\$23.0 million for 2002, excluding the one-off provision for onerous site rental contracts of HK\$12.6 million, and turnover dropped by HK\$15.2 million, a drop of 17% compared with 2001.

Notwithstanding that 2002 was a difficult year for the Hong Kong operations, the Group has upheld its prominent position in the outdoor advertising market in Hong Kong by, in conjunction with its associate POAD, successfully securing the exclusive outdoor advertising rights to entire Cross Harbour Tunnel for a term of four years. The Cross Harbour Tunnel is a prime location with the busiest traffic flow in Hong Kong. With its high occupancy, it is one of the most profitable sites in Hong Kong. Successfully securing this contract has helped to glisten the Hong Kong operations in the coming few years.

In 2002, management has exercised certain measures to improve the performance of the Hong Kong operations. A joint task force between the sales teams in Hong Kong and Mainland China was set up at the end of the third quarter to encourage Mainland China clients to place advertisements in Hong Kong. As a result of the joint effort, there is an increasing number of new Mainland China clients which have placed advertisements on the Group's outdoor advertising spaces in Hong Kong. These new clients include Hai Tian Soya Sauce, Shanghai Tennis Masters Cup and Wenzhou International Hotel.

As the economy of Hong Kong is likely to continue to be sluggish in the coming year, management has taken a prudent approach and has made a one-off provision for certain onerous and loss-making site rental contracts which will expire in 2003. Management is also conservative in committing to any new projects and in renewal of expiring contracts. Management will also exercise necessary cost control actions to reduce overheads.

由於其他收入下降，再加上於中國內地之僱員成本因增聘員工及加薪而上升5,800,000港元、其他經營開支增加8,000,000港元（增幅主要用於地下鐵路調查及媒體開銷報告等市場研究開支）及融資成本增加1,900,000港元，致使中國內地業務於本年度之純利為11,900,000港元，而二零零一年則為18,000,000港元。

若撇除兩個年度之其他收入及融資成本，則中國內地之核心業務於二零零二年之除稅前溢利應為22,400,000港元，較二零零一年之19,200,000港元增加17%。

香港業務

由於不能避免地受到香港持續通縮及經濟疲弱之不利影響，加上香港業務之廣告位固定租金欠缺靈活性，因此本集團香港業務於二零零二年首度出現虧損23,000,000港元（不計就廣告位之合約承擔所作出之一筆過撥備12,600,000港元），營業額方面下降15,200,000港元，與二零零一年比較，跌幅達17%。

以香港業務來說，二零零二年為一個艱辛的年頭，但本集團與聯營公司POAD成功取得整條海底隧道之獨家的媒體使用權，為期四年，藉此鞏固本集團在香港戶外媒體市場之領導地位。海底隧道是香港交通最為繁忙之黃金地段，因其高企之租用率，是香港盈利最高之廣告位之一。成功取得海底隧道之合約，對香港業務在未來數年之發展大有裨益。

於二零零二年，管理層實行了若干措施，以改善香港業務之表現。本集團於第三季度末成立一個由香港和中國銷售人員組成之聯合隊伍，鼓勵中國客戶在香港投放廣告。結果，更多來自中國內地之新客戶在本集團於香港之戶外廣告位投放廣告，新客戶包括海天醬油、上海網球大師杯賽和溫州國際大酒店等。

由於香港之經濟在來年可能仍然遲滯，管理層為審慎起見，就若干有合約承擔而處於虧損，及將於二零零三年屆滿之廣告位租約作出一筆過撥備。管理層在簽訂新項目及續簽合約時亦將保持審慎態度。此外，管理層亦將採取必須之成本管制措施，以期減少開支。

Liquidity and Financial Resources

流動資金及財務資源

For the year ended 31 December
截至十二月三十一日止年度

	2002 二零零二年	2001 二零零一年
	HK\$'000 千港元	HK\$'000 千港元
Cash generated from operations 經營所得現金	21,878	57,637
Tax paid 已付稅項	(7,167)	(6,589)
Net cash from operating activities 經營業務所得現金淨額	14,711	51,048
Dividends received from POAD and Shanghai Metro JV 已收 POAD 及上海華智股息	13,267	3,782
Dividends paid to minority shareholders 已付少數股東股息	(3,796)	(1,454)
Interest paid net of interest received 已付利息減已收利息	(6,679)	(3,083)
Investment in Group companies and related companies 投資本集團旗下公司及相關公司	(2,240)	-
Acquisition of fixed assets, advertising rights and deposits paid 購置固定資產、媒體使用權及已付按金	(89,115)	(77,513)
Net proceeds raised from listing 上市所得款項淨額	213,017	-
Repayment of shareholder's loan 償還股東貸款	-	(6,925)
Increase in bank loans 銀行貸款增加	95,845	25,230
(Increase) / decrease in pledged bank deposits 已抵押存款 (增加) / 減少	(118,858)	11,640
Net cash inflow/(outflow) from financing and investing activities 融資及投資業務現金流入 / (流出) 淨額	101,441	(48,323)
Increase in cash and cash equivalents 現金及等同現金項目增加	116,152	2,725
Cash and cash equivalents at 1 January 一月一日之現金及等同現金項目	45,257	42,532
Cash and cash equivalents at 31 December 十二月三十一日之現金及等同現金項目	161,409	45,257

The Group continues to be in a stable and healthy financial position. Cash generated from operations in 2002 amounted to HK\$21.9 million. At 31 December 2002, the Group had net cash of HK\$40.7 million. The net cash was calculated as the cash and cash equivalents plus pledged bank deposits less bank loans and the Convertible Bond. Cash and cash equivalents at 31 December 2002 amounted to HK\$161.4 million (31 December 2001: HK\$45.3 million) including a cash balance of HK\$59.7 million jointly controlled by the operator of the Beijing Light Rail System. Pledged deposits with banks for banking facilities made available to the Group as at 31 December 2002 amounted to HK\$196.4 million (2001: HK\$77.6 million). The increase in pledged bank deposits of HK\$118.9 million was largely due to an increase in deposits pledged with a bank for securing a bank loan of HK\$74.8 million (RMB 80 million) for the Beijing Light Rail System project and the replacement of pledged deposits of HK\$35 million previously placed by the parent company.

As at 31 December 2002, the Group had a current ratio of 161%, with HK\$525.7 million of current assets against HK\$326.3 million of current liabilities.

The Group's assets, liabilities, revenues and expenses are mainly denominated in Hong Kong dollars, United States dollars and Renminbi. The exchange rate between Hong Kong dollars and United States dollars is pegged and the exchange rate between Renminbi and Hong Kong dollars has been very steady in the past few years. During 2001 and 2002, the Group normally used the receipts from customers and bank loans to pay its suppliers and meet its capital requirements. These are denominated in the local currency of the place in which its subsidiaries and joint ventures operate. The Group does not currently engage in hedging to manage possible exchange risk as the Group considers the cost associated with such hedging arrangements would exceed the benefits. However, management will continue to monitor the relevant circumstances and will take such measures as it deems prudent.

The consolidated net asset value of the Group as at 31 December 2002 was HK\$449.0 million or HK\$0.53 per share. Additions to fixed assets for the year amounted to HK\$6.5 million and additions to advertising rights amounted to HK\$22.2 million.

The Group expects that internal reserves and cash flows from future operating activities and its available banking facilities will be sufficient to cover its future business operations.

本集團之財務狀況持續穩健。二零零二年經營所得現金達 21,900,000 港元。本集團於二零零二年十二月三十一日擁有現金淨額 40,700,000 港元，即以現金及等同現金項目加上已抵押銀行存款，並扣減銀行貸款及可換股債券而計算。於二零零二年十二月三十一日之現金及等同現金項目為 161,400,000 港元（二零零一年十二月三十一日：45,300,000 港元），其中包括與北京城鐵系統營運商共同控制之現金結餘 59,700,000 港元。於二零零二年十二月三十一日，就本集團所獲銀行信貸而抵押予銀行之已抵押存款為 196,400,000 港元（二零零一年：77,600,000 港元）。已抵押銀行存款增加為 118,900,000 港元，主要是由於就北京城鐵系統項目所獲之 74,800,000 港元（80,000,000 人民幣）之銀行貸款而增加已抵押銀行存款，以及取代較早前由母公司提供之已抵押存款 35,000,000 港元所致。

本集團於二零零二年十二月三十一日之流動比率為 161%，即 525,700,000 港元流動資產與 326,300,000 港元流動負債之比例。

本集團之資產、負債、收益及開支主要以港元、美元及人民幣為單位。港元與美元匯率已掛鈎，而人民幣與港元之匯率在過去數年亦十分穩定。本集團在二零零一年及二零零二年一般以所收客戶款項及銀行貸款支付供應商及資本開支。該等收支均以有關附屬公司及合營企業經營所在地之貨幣進行。由於本集團認為對沖安排之成本高於利益，因此本集團目前並無採取對沖措施控制潛在之匯率風險。然而，管理層會採取審慎態度，不斷監察有關情況並且在有需要時採取相應措施。

本集團於二零零二年十二月三十一日之綜合資產淨值為 449,000,000 港元，即每股綜合資產淨值 0.53 港元。年內新增固定資產 6,500,000 港元，而新增媒體使用權則達 22,200,000 港元。

本集團預期內部儲備、未來經營業務之現金流量及現有銀行信貸足以應付未來業務所需。

The debt maturity profile of the Group as at 31 December 2002 is analysed as follows:

本集團於二零零二年十二月三十一日之債項到期日分析如下：

Type of Debt 債務種類	Debt Maturity 到期日	HK\$' million 百萬港元	%
Short term bank loans 短期銀行貸款	Repayable within one year 須於一年內償還	232.2	73%
Convertible Bond 可換股債券	Repayable after one year but not exceeding two years 須於一年後但不超過兩年內償還	85.0	27%
Total 合計		317.2	100%

Out of the total borrowings of HK\$317.2 million, HK\$226.4 million was denominated in Renminbi and HK\$90.8 million was denominated in Hong Kong dollars. Interest rates for bank borrowings denominated in Hong Kong dollars were at 0.75% over the bank's funding rate and interest rates for bank borrowings denominated in Renminbi ranged from 90% of the lending rate of the People's Bank of China ("PBOC") to 120% of lending rate of the PBOC.

借貸總額為 317,200,000 港元，當中 226,400,000 港元以人民幣為單位，而 90,800,000 港元則以港幣為單位。以港元為單位之銀行借貸息率按銀行貸款利率加 0.75 厘計算，而以人民幣為單位之銀行借貸息率則介乎於中國人民銀行借貸利率百分之九十至百分之一百二十不等。

Interest is payable on the Convertible Bond, which is due to expire in December 2004, at a rate of 2.5% per annum.

將於二零零四年十二月到期之可換股債券之應付利息，將按年息率 2.5 厘支付。

The average outstanding days of the Group's accounts receivable was maintained at below 60 days.

本集團應收賬款之平均收款期低於 60 天。

CONTINGENT LIABILITIES

At 31 December 2002, the Group had contingent liabilities totalling HK\$4,703,000 (2001: HK\$7,333,000) in respect of bank guarantees given to independent third parties in the ordinary course of business to ensure the due performance of a subsidiary and observance of the obligations of the subsidiary to certain agreements.

或然負債

於二零零二年十二月三十一日，本集團之或然負債合共 4,703,000 港元（二零零一年：7,333,000 港元）。該或然負債乃本集團在日常業務中向獨立第三者作出之銀行擔保，以確保一間附屬公司妥善履行及遵守若干協議所規定該附屬公司之責任。

USE OF PROCEEDS

The Group raised approximately HK\$235 million through the placing of shares upon the listing of the Company. After deducting related expenses, net proceeds were approximately HK\$213 million.

During the period from 31 January 2002 (date of listing) to 31 December 2002, the Group has incurred the following amounts to achieve the business objectives as set out in the Announcement dated 24 January 2002:

所得款項用途

本集團通過配售所得款項約為235,000,000港元。經過扣除有關開支後，配售所得款項淨額為213,000,000港元。

於二零零二年一月三十一日（上市日）至二零零二年十二月三十一日，下列為本集團實際用款，以其達致載於二零零二年一月二十四日公佈的業務目標。

		As stated in the Announcement dated 24 January 2002 於二零零二年一月二十四日 公佈款項用途	Utilized 實際用款
		HK\$'million 百萬港元	HK\$'million 百萬港元
Expand the existing advertising media network and develop new advertising media	用作拓展現有廣告媒體網絡及發展新廣告媒體	40	40
Secure new advertising concessions in the metro and light rail systems in the PRC	用作獲取在中國的地鐵及輕鐵系統的新媒體使用權	122	15
Establish joint ventures in Shenzhen, Chengdu and Shanghai	用作於深圳、成都及上海成立合營企業	7	3
Placed as pledged deposits	銀行的已抵押存款	35	35
General working capital	營運資金用途	9	5
		<u>213</u>	<u>98</u>

The remaining net proceeds have been placed on short term bank deposits in various banks
已將剩餘款項存放於各銀行之短期存款

OPERATING LEASE COMMITMENTS

The operating lease commitments of the Mainland China and Hong Kong segments are set out below:

經營租賃承擔

按中國內地及香港業務分類之經營租賃承擔如下：

		Mainland China 中國內地	Hong Kong 香港	Total 合計
		HK\$'million 百萬港元	HK\$'million 百萬港元	HK\$'million 百萬港元
At 31 December 2002 二零零二年十二月三十一日				
Within one year	一年內到期	28.4	37.1	65.5
After one year but within five years	一年後但五年內到期	102.7	15.2	117.9
After five years	五年後到期	380.6	–	380.6
		<u>511.7</u>	<u>52.3</u>	<u>564.0</u>
At 31 December 2001 二零零一年十二月三十一日				
Within one year	一年內到期	23.8	48.1	71.9
After one year but within five years	一年後但五年內到期	67.7	24.5	92.2
After five years	五年後到期	29.0	–	29.0
		<u>120.5</u>	<u>72.6</u>	<u>193.1</u>

For operating lease commitments due within one year, the Hong Kong operations accounted for over 50%, which includes most of the site rental contracts against which a provision for onerous contracts has been made. Operating lease commitments due after one year but within five years in Hong Kong, mainly relate to site rental contracts for which positive gross margins are expected. The increase of HK\$391.2 million in total operating lease commitments in Mainland China was mainly due to the commitment of RMB 430 million for exclusive advertising rights within Beijing Light Rail System for 18 years, details of which were disclosed in the Company's announcement in August 2002.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

During 2002, the Group acquired the remaining 5% interest in Metrolink Investments Ltd. from the minority shareholders, established an advertising joint venture in Chengdu, Chengdu Advertising MPI, established a production joint venture in Shanghai, Shanghai Zhongle Vehicle Painting Co Ltd. and established a joint venture in Hong Kong, Livebrand Networks Limited.

EMPLOYEE INFORMATION

The Group had a total of 273 (2001: 199) employees, of which 243 (2001: 179) were in Mainland China and 30 (2001: 20) were in Hong Kong, at the end of the year. Total salaries and related costs incurred in 2002 including Director's emoluments, amounted to HK\$33.7 million (2001: HK\$26.2 million).

The salary and benefit levels of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis. Staff benefits, including medical coverage and provident funds are also provided to employees. In addition, training and development programmes are provided on an ongoing basis. Social, sporting and recreational activities were arranged during the year for employees.

The Group has also adopted a share option scheme whereby the employees of the Group may be granted share options to subscribe for shares in the Company for the purposes of recognising the contribution made by the employees and retaining the services of the employees who will continue to make a valuable contribution to the Group.

將於一年內到期之經營租賃承擔，其中超過50%屬於香港業務，包括大部分已作出合約承擔虧損撥備之廣告位租約。在香港，於一年後但五年內到期之經營租賃承擔主要涉及預期有毛利之廣告位租約。於中國內地之經營租賃承擔總額增加391,200,000港元，主要乃由於就北京城鐵系統之18年獨家的媒體使用權而作出430,000,000人民幣之承擔所致，有關詳情載於本公司二零零二年八月之公佈內。

重大投資及收購

於二零零二年，本集團向少數股東收購 Metrolink Investments Ltd. 其餘5%權益；於成都成立廣告合營企業「成都媒體伯樂」；於上海成立製作合營企業上海中樂汽車油漆噴塗製作有限公司；及於香港成立合營企業 Livebrand Networks Limited。

僱員資料

於結算日，本集團共有273名僱員（二零零一年：199名），其中243名（二零零一年：179名）駐於中國內地，30名（二零零一年：20名）駐於香港。二零零二年之薪金總額及相關成本（包括董事酬金）合計達33,700,000港元（二零零一年：26,200,000港元）。

本集團給予僱員之薪酬及福利均具相當吸引力，亦會按僱員表現發放獎賞。本集團亦向僱員提供醫療保障、公積金等員工福利。此外，本集團持續提供培訓和發展課程，年內亦為僱員安排多種社會、體育及康樂活動。

本集團亦設有購股權計劃，向本集團僱員授出可認購本公司股份之購股權，以認許有關僱員所作之貢獻，並促使其繼續為本集團效力，作出貢獻。

BUSINESS OBJECTIVES

業務目標

The following is a comparison of the actual business progress for the six months ended 31 December 2002 "review period" and the business objectives as set out in the prospectus dated 15 January 2002. Almost all objectives have been achieved by the Company whilst a few are still in progress.

以下概要為截至二零零二年十二月三十一日止六個月「回顧期」之實際業務發展與二零零二年一月十五日刊發之招股章程中所列之業務目標比較。本公司基本上已達致所有業務目標，惟尚餘少數項目仍在進行。

Business objectives for the review period as stated in the Prospectus 招股章程所列於回顧期間之業務目標	Actual business progress in respect of the six months ended 31st December, 2002 截至二零零二年十二月三十一日止六個月之實際業務發展
<p>Continued expansion of the existing bus advertising network by securing advertising rights to approximately 700 to 800 buses in northwestern PRC, 700 to 800 buses in central PRC, 700 to 800 buses in northeastern PRC and 200 to 300 buses in eastern PRC.</p> <p>透過在中國西北部取得約700至800輛巴士、華中700至800輛巴士、中國東北部700至800輛巴士及華東200至300輛巴士的媒體使用權，繼續擴充現有巴士廣告網絡。</p>	<p>During the review period, the Group has secured advertising rights to approximately 2,000 buses in Beijing, 142 air-conditioned buses in Shanghai and 300 buses in Guangzhou.</p> <p>於回顧期內，本集團在北京獲得約2,000輛巴士之媒體使用權，在上海及廣州分別獲得142輛空調巴士和300輛廣州巴士之媒體使用權。</p>
<p>Introduction of new media such as three-dimension projectors, escalator steps and motion posters in the metro advertising system in the PRC.</p> <p>為中國地鐵廣告系統引入新媒體，如三迴立體投映器、電梯級廣告及動感海報。</p>	<p>New media such as window posters were introduced during the review period. Others are being evaluated and will be first launched in our Beijing light rail system.</p> <p>於回顧期內，引入窗櫺海報等之新媒體，同時也在評估其他媒體設計，北京地鐵系統將會作為試點。</p>
<p>Introduction of taxi body advertising in Shanghai and continued exploration of opportunities in other cities where the MPI Group has a permanent establishment.</p> <p>於上海引入的士車身廣告，並不斷於媒體伯樂集團業務已立足的其他城市發掘機會。</p>	<p>In view of other attractive opportunities in the transport segment, the timing for introduction of taxi body advertising in Shanghai and other cities is being reassessed.</p> <p>鑑於其他運輸系統之商機更為吸引，本集團將延遲實行於上海及其他城市引入的士車身廣告。</p>
<p>Expansion of the existing advertising network in Hong Kong by securing approximately 30 to 50 new billboards, one to two LEDs and one to two neon signs.</p> <p>透過取得約30至50個新廣告牌、一至兩個電子顯示熒幕及一至兩個霓虹燈廣告牌，以拓展香港現有的廣告網絡</p>	<p>Notwithstanding that Hong Kong economy has improved slightly in the second half, the Group has been cautious in its expansion strategies in Hong Kong. During the review period, MPI entered into an agreement with Hai Tian Soya Sauce to construct and maintain a neon sign at Wanchai. Our associate, POAD also entered into a similar agreement with Prudential Insurance for a neon sign at Wanchai. In addition, the Group jointly with POAD secured the exclusive advertising rights to billboards at entrance Cross Harbour Tunnel.</p> <p>雖然香港經濟於下半年稍有改善，但本集團對於在香港之拓展策略仍抱持審慎態度。於回顧期內，梅迪派勒與海天醬油簽訂協議，於灣仔建立及懸掛一個霓虹燈廣告牌。本集團之聯營公司POAD亦與保誠保險簽訂位於灣仔霓虹燈廣告牌之協議。此外，本集團聯同POAD成功取得整條海底隧道所有廣告牌之獨家的媒體使用權。</p>
<p>Introduction of a shopping mall digital display advertising system in Hong Kong.</p> <p>於香港引入購物廣場數碼顯示器廣告系統。</p>	<p>Due to more attractive opportunities in the Mainland China, we temporarily divert our resources for the shopping mall digital display advertising system to the Mainland China market. Recently, we have initiated negotiation with a shopping mall owner in the Mainland China.</p> <p>鑑於中國市場商機無限，本集團暫時將有關設置於購物廣場之數碼顯示器廣告系統的資源調撥往中國內地市場。本集團最近與一名擁有一所中國內地購物廣場之業主展開磋商。</p>

CORPORATE GOVERNANCE

公司管治

The Board and senior management were committed to upholding the highest standards of business ethics and corporate governance within the Group throughout the year to achieve the goals. The standards of governance adopted by the Company are set out as follows:

The Board

The Board supervises the management of the Company. The Board meets regularly in addition to receiving information between meetings about the performance and operations of the Group. The Directors have access to all relevant information and can take independent professional advice if necessary.

The Board is responsible for formulating the strategic development of the Company, reviewing and monitoring the performance of the Group as well as the approval of financial statements, major investments etc. The Directors, collectively and individually, are aware of their responsibilities to shareholders, for the manner in which the affairs of the Company are managed and operated.

The independent non-executive Directors who have diversified industry and professional expertise serve the important function of advising the management on strategic development and ensuring that the Board both maintains high standards of financial and other mandatory reporting as well as provides adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. All of them are also financially independent of the Company and any of our subsidiaries.

The Company Secretary is responsible to the Board, ensuring that Board procedures are followed and that applicable laws and regulations are complied with.

Segregation of Chairman and Chief Executive Officer

As a matter of good corporate governance, segregation of roles of Chairman and Chief Executive Officer is implemented in the Company to avoid the concentration of power in an individual or the controlling shareholder in the process of decision making.

董事會及高級管理層有責任在整個年度一直維持本集團商業操守及公司管治之最高標準，以達致營運目標，同時為股東提供可觀之回報。本公司所採用之管治標準如下：

董事會

董事會負責監督本公司之管理工作，除定期召開會議外，日常亦會收集有關本集團業績及營運狀況等訊息。董事可查閱一切相關資料，當需要時亦會徵求獨立專業意見。

董事會負責制定本公司的發展策略，檢討及監察本集團之表現，審批財務報表及重大投資等。董事就本公司事務之管理及營運方式共同及個別對股東承擔責任。

獨立非執行董事具有豐富之行業及專業經驗，承擔相當重要責任，向管理層提供策略發展之意見，亦確保董事會提交高水準之財務及其他法定報告，同時作出充份制衡，以保障股東與本公司之整體利益。所有獨立非執行董事於本公司及任何本公司之附屬公司均是財政獨立。

公司秘書需對董事會負責，確保遵守董事會程序並且符合相關之法例及規則。

分別委任主席及行政總裁

本公司主席及行政總裁職位均由不同人士擔任，以避免在決策時權力過度集中於個別人士或控股股東之上，以達致良好之公司管治。

Board Committees

The Board has also established the following committees with defined terms of reference:

- Audit Committee
- Compensation Committee
- Finance Committee

Management and third parties are co-opted to these Committees as required. Details include:

Audit Committee

The Audit Committee has been established since 2002 to provide advice and recommendations to the Board. Its members currently consist of Mr. Meocre Kwok Wing Li, Professor Lawrence Juen Yee Lau and Mr. Paul Laurence Saffo. In 2002, The Audit Committee met four times to review developments with senior management and external auditors in the performance of the following duties:

- i) Reviewing the results of the audit on the Company's system of internal accounting controls and the cooperation given by the Company's officers to the external auditors;
- ii) Reviewing the financial statements and the auditors' report of the Group before submission to the Board of Directors;
- iii) Nominating external auditors for appointment; and
- iv) Monitoring the speed and effectiveness with which the recommendations made are implemented.

Compensation Committee

The Compensation Committee was formed on 18 March 2002. The members of Compensation Committee include:

Gerald Lokchung CHAN
Paul Laurence SAFFO
Tony Cheung Kin AU-YEUNG

Their duties consist of :

- i. reviewing and recommending (a) the Share Option Scheme and (b) the salary, bonus and benefits structure for the Company officers and management and (c) any subsequent adjustments to (a) and (b), to the Board;
- ii. approving any changes to the Provident Fund Schemes of the Company;
- iii. determining which staff members will receive share options under the Company's Share Option Scheme, as well as the number and subscription price of the options awarded;
- iv. making such other decisions or determinations as it deems appropriate in the administration of the Company's Share Option Scheme.

董事委員會

董事會亦已成立以下具有明確職責之委員會：

- 審核委員會
- 薪酬委員會
- 財務委員會

本公司按照需要挑選管理層及第三者組成該等委員會，詳情如下：

審核委員會

審核委員會自二零零二年成立，為董事會提供意見及建議。現有成員包括李國榮先生、劉遵義教授及 Paul Laurence Saffo 先生。於二零零二年，審核委員會與高級管理層及外聘核數師曾舉行四次會議檢討進展並履行以下職責：

- i) 檢討審核結果及本公司內部會計管理制度，及本公司行政人員與外聘核數師之工作配合；
- ii) 在呈交董事會前先行審閱本集團財務報表及核數師報告；
- iii) 提名外聘核數師之委任；及
- iv) 監察執行建議之時間及效率。

薪酬委員會

薪酬委員會於二零零二年三月十八日成立，成員包括：

陳樂宗
Paul Laurence SAFFO
歐陽長健

職責包括：

- i. 檢討及向董事會建議(a)購股權計劃；及(b)本公司行政人員及管理人員薪酬、花紅及福利安排；及(c)日後之調整(a)及(b)項等規定；
- ii. 審批本公司公積金計劃之更改；
- iii. 根據本公司購股權計劃決定可獲授予購股權之職員人選，及所發出之購股權數目與認購價；
- iv. 就執行本公司購股權計劃時提出認為適當之其他決定或裁決。

Finance Committee

The Board's Finance Committee was established on 18 March 2002 and consists of two executive directors of the Board and the Company's Chief Financial Officer. Its current members include:

George Ka Ki CHANG
Winnie Pik Shan TO
Stephen Cheuk Kin LAW

Within the parameters established by the Board, the Finance Committee is responsible for reviewing, recommending and in approving Group financial matters relating to items such as the investment of surplus funds, undertaking, determining and approving banking facilities, performance bonds, guarantees, indemnities, mortgages, pledge deposits, as well as the operating and closure of bank accounts with the various financial institution.

Records of Meeting

The following is an attendance record of the meetings held by the Board and various committees during the financial year and the average attendance of the meetings:

	Number of meetings held in 2002 二零零二年舉行之會議數目	Average member attendance 成員平均出席率
Full Board 全體董事會議	5	94%
Audit Committee 審核委員會	4	84%
Finance Committee 財務委員會	1	100%
Compensation Committee 薪酬委員會	2	100%

All business transacted at the respective meetings are documented by minutes. Due to the nature of some of the transactions, some Board decisions are approved through written resolutions.

Human Resources

During the year under review, the Group had a total of 273 employees including 243 people in the Mainland China. The rest of our employees operate in Hong Kong. To attract motivated and experienced staff and managers, the Group offer competitive remuneration and benefits packages to our employees.

財務委員會

董事會之財務委員會已於二零零二年三月十八日成立，成員包括兩位董事會執行董事及本公司財務總裁。現時成員包括：

張家騏
杜碧珊
羅卓堅

按照董事會訂立之常規，財務委員會負責檢討及審批本集團動用盈餘基金進行投資及財務承擔等財務事宜、釐定及審批銀行信貸、履約保證金、擔保、賠償保證、按揭、抵押存款，及與不同財務機構設立及結束銀行賬戶等財務事項。

會議紀錄

以下為本財政年度董事會及各委員會會議之出席紀錄及各會議之平均出席率：

各會議上之討論事項均以會議紀錄存案。基於部份事項之性質，若干董事會決定採用書面決議案通過。

人力資源

於回顧年度，本集團僱員總數為273名，其中243名為中國內地僱員，其餘在香港工作。本集團為僱員提供吸引之薪酬及福利計劃，以期吸引及保留資深的員工。

Internal Communication

To strengthen internal policy communication and nurture MPI Group culture, various newsletters are published within the Group on a regular basis.

Social Activities

The Group's long-standing policy to encourage friendly relations with the community was reflected in the organization of a number of special outings and sporting activities for both staff and their families. These activities foster a sense of belonging to the Group and reinforce staff communications. In addition, the different regional offices offered staff a wide range of functions including site visits to other offices (or inter-company visits) to ensure the exchange of ideas and develop inter-office relationships among the staff.

Remuneration Policies and Benefits

Salaries are reviewed annually in the context of individual and business performance, work contribution, market practice and competitive market pressures. Apart from the basic remuneration provided, share options are offered to qualifying employees to reward them for their positive performances and to foster loyalty within the Group. Allowances and benefits are largely determined by local market practices.

The Group participates in pension fund for all qualified employees in Hong Kong. In addition, the Group's subsidiaries in Mainland China has participated central pension schemes operated by the local government in the Mainland China and these subsidiaries make mandatory contribution to these central pension schemes to fund the employees' retirement benefits.

Training and Development

Preparing for a more competitive environment, staff training and development are critical to attracting, retaining, encouraging and motivating its workforce. The Group therefore gives due emphasis to staff training and implements a policy sponsoring staff to attend job-related training and self-improvement programs. The content of these programs cover senior management development, general competency and compliance training, technical competency, sales and marketing skills, self development and language skills, outward bound training etc.

Internal Control

The Board is responsible for ensuring that the Group has satisfactory systems of internal control. The Group's internal controls have been designed to give reasonable assurance that the Group's asset and resources have been safeguarded and effectively applied to maximize the value of the money and that its financial reporting is both accurate and complete. These controls include:

內部溝通

本集團定期刊發內部通訊，以加強內部政策溝通以培育集團文化。

社會活動

本集團一直鼓勵與社區建立友好關係，組織僱員及家屬舉行多次專題戶外活動及運動會，加強對本集團之歸屬感及促進職員間之溝通。此外，各地區主管亦為職員安排各類活動，例如探訪其他辦事處或內部公司，確保互相交流意見及建立內部溝通與團結。

薪酬政策及福利

每年就個人及業務表現、工作貢獻、市場慣例及市場競爭檢討薪酬。除提供基本薪金外，亦會向合資格僱員授予購股權，作為優秀工作表現之獎勵，並且加強對本集團之歸屬感。津貼及福利則主要基於本地市場慣例。

本集團為香港所有合資格僱員參與退休金計劃。此外，本集團在中國之附屬公司已參與中國內地地方政府之中央退休計劃，而該等附屬公司向中央退休計劃作出強制供款，支付僱員之退休福利。

培訓及發展

為了應付日益競爭之環境，僱員培訓及發展之關鍵乃在於吸引、保持、鼓勵及激發僱員之工作能力。本集團因此相當強調職員培訓，並且實施贊助僱員參與在職培訓政策及個人進修計劃。該等計劃之內容包括高級管理發展、通才及規章訓練、技術培訓、宣傳及市場推廣技巧、個人發展及語言技巧、外展訓練等。

內部監控

董事會負責確保本集團有完善之內部監控制度。本集團之內部監控可合理保障本集團之資產及資源，並且能有效運用以發揮其最大價值，而財務報告既準確亦完備。該等監控制度包括：

Budgetary discipline and reporting

Budgets are prepared annually. There are defined procedures for the appraisal, review and approval of major capital and recurrent expenditure. Proposed significant expenditure outside the scope or estimate of approved budgets is referred to the Board for decision. Results of operations against budgets are reported regularly.

Internal Accounting Control

The internal control and accounting systems of the Group are designed to provide reasonable assurance that assets and resources are safeguard against unauthorized use or disposition, that transactions are executed in accordance with the management's authorization and that the accounting records are reliable for preparing financial information used within the business or for publication and maintaining accountability for assets and liabilities. Qualified personnel throughout the Group maintain and monitor these internal accounting controls on an ongoing basis. The Audit Committee with the assistance of the auditors reviews these controls, evaluates their adequacy, effectiveness and compliance.

Comprehensive annual financial plans are prepared by subsidiaries and are reviewed and approved by the management. Results are monitored regularly and reports on progress as compared with the related plan are prepared throughout the Group each quarter.

Operational Risk Management

Operational risk is the risk of economic loss arising through fraud, unauthorized activities, error, omission, and inefficiency systems failure or from external events. Centralized functional control system is exercised over all computer systems to reduce the impact of and interruptions to business activities caused by system failure or natural disaster. In addition, comprehensive control policies and standards have been established to monitor the effectiveness of internal control procedures and compliance with policies and standards across all business and operational units.

Guidelines and Conduct

To enhance the practice of good corporate governance, a set of compliance policies have been published by the Company to provide guidance on matters such as the dealing of shares both by directors and employees.

The Directors' responsibility is to safeguard and improve the economic and commercial prosperity of the Company.

財政紀律及申報

每年制定預算案，對主要資本開支及經常開支評審、檢討及審批有既定程序。偏離已審批預算範圍及估計之重大開支計劃，須交由董事會決定，亦會定期申報經營業績與預算之比較。

內部會計監控

本集團所訂立之內部監控及會計制度，目的在於合理確保資產及資源受到保障，避免未授權下使用或挪用，亦確保交易是根據管理層之授權進行，具備可靠之會計紀錄以編撰財務資料供業務之用，並且可用於披露及確保資產及負債的可信性。整個集團之合資格人員負責持續維持及監察內部會計監控制度。審核委員會在核數師的協助下檢討該等監控措施，衡量是否充份、有效及獲得遵守。

管理層審閱及批准各附屬公司所預備之全面年度財務計劃，本集團定期監察業績，並且在每一季度編撰進度報告與相關之計劃作比較。

營運風險管理

營運風險指由於過失、未授權活動、錯誤、疏忽、失效、系統失靈或外來事件所引致之經濟損失。所有電腦系統均由中央功能控制系統管理，以減低系統失靈或天災導致業務停頓之影響。此外，本公司亦已訂立全面控制政策及準則，以監察內部監控程序之成效，同時監察所有業務及營運單位有否遵守該等政策及準則。

指引及守則

為促進良好之公司管治，本公司已制訂一套規章政策，為董事及僱員買賣股份等事宜提供指引。

董事會各董事負責保障及增進本公司之經濟及商業前景。

The Directors have a duty and responsibility to act honestly and with due diligence and care in discharging their duties as Directors and in participating in the decision and policy-making process of the Company. Every director also receives a "Memorandum on the Duties and Responsibilities of a Director of a Company listed on GEM" prepared by the external lawyer in order to set a guideline on statutory and regulatory requirements connected to the business of the Company.

Community Responsibility

During the year, the Group also made a commitment participate actively in a number of community programs and charitable activities. In July 2002, a voluntary joint donation program was held among staff in the Shanghai, Beijing, Nanjing, Wuhan and Guangzhou offices, to raise funds for a member of staff who is suffering from Leukemia. Additionally, the Group's staff in Nanjing took part in a event organized by a charity for the handicapped fund raising funds through self sponsorship.

As a responsible corporate citizen, the Group participated in a Bounceback Hong Kong Campaign in mid April 2002, by sponsoring 4-sheet and 12-sheet lightboxes at Airport Express Line and Tram Shelters for running this meaningful campaign with the support from the media owners.

Investor Relations

The Company encourages a two way dialogue with institutional investors and analysts. Extensive information about the Company's activities is provided in its quarterly, interim and annual reports which are sent to shareholders, analysts and interested parties. The Company has maintained regular communications with the media. The Company's news releases, announcements and publications are circulated to all major news media simultaneously and fairly, and are made available on the GEM website. Media briefings are organized from time to time to explain the Group's latest business initiatives and market development plans.

Regular meetings are also held with institutional shareholders and analysts to disseminate financial and other information relating to the Group and its business.

These activities keep the public aware of the Group's activities and help to foster effective communication across the Group.

董事有職責及責任以誠實、盡責及審慎態度履行董事職責，及參與本公司之決定及制定政策。每位董事亦有一份由外聘律師編撰之「創業板上市公司董事職責及責任大綱」，其中訂明有關本公司業務之法定及監管規定之指引。

社會責任

本集團於本年度亦積極參與多項社區計劃及慈善活動。於二零零二年七月，上海、北京、南京、武漢及廣州各地辦事處聯合舉行自發捐獻活動，為一位身患白血病之僱員籌款。此外，本集團在南京之僱員亦參與一殘疾人士慈善機構舉辦之籌款活動。

作為盡責之企業公民，於二零零二年四月中參加饒有意義之香港再造運動，在媒體擁護者支持之下，贊助機場快綫及電車站之 4 封及 12 封燈箱廣告。

投資者關係

本公司鼓勵與機構投資者及分析員進行雙向溝通。本公司向股東、分析員及有興趣人士派發之季度、中期及年度報告提供本公司活動之詳盡資料，本公司亦經常與傳媒聯絡，而本公司之新聞稿、公佈及公開資料亦同時發佈予各大新聞傳媒，並於創業板網站上發佈。本集團更不時舉行新聞簡報會，解釋最新之業務動向及市場發展計劃。

本集團亦經常與機構股東及分析員會面，發放有關本集團及屬下業務之財務及其他資料。

上述活動不但令大眾了解本集團之活動，而且更有助加強本集團內部之有效溝通。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Executive Directors

Mr. George Ka Ki CHANG

Vice Chairman • Age: 51

Mr. Chang joined the MPI Group in 1995 and was appointed a Director in June 2001. Mr. Chang plays a pivotal role in advising MPI Group on its strategic and corporate development. Mr. Chang started his professional career in a major international accounting firm and has over eight years' experience in public accounting in Hong Kong and Toronto. Prior to joining the MPI Group, Mr. Chang held senior financial positions in various international manufacturing and trading companies. Mr. Chang received his Bachelor of Business Administration and Master of Business Administration degrees from the University of Wisconsin at Madison and is a member of the American Institute of Certified Public Accountants, Canadian Institute of Chartered Accountants and Hong Kong Society of Accountants.

Ms. Winnie Pik Shan TO

Chief Executive Officer • Age: 50

Ms. To joined the MPI Group in 1995 and was appointed a Director in June 2001. Armed with extensive experience in managing the sales and marketing of fast-moving consumers goods, Ms. To is responsible for the development and implementation of the overall strategies and policies of the MPI Group. Before joining the MPI Group, Ms. To oversaw the Hong Kong market for Kimberly-Clark and Smithkline Beecham and the PRC and Hong Kong markets for Johnson & Johnson. Ms. To has worked in the PRC for more than 15 years and is a member of the Political Consultative Committee of the City of Chongqing, PRC. Ms. To graduated from the Department of Communication Studies of the Baptist University of Hong Kong.

Mr. Tony Cheung Kin AU-YEUNG

Director • Age: 54

Mr. Au-Yeung joined the MPI Group in 1998 and was appointed a Director in June 2001. Mr. Au-Yeung advises the MPI Group on organizational and business development matters in the PRC. Mr. Au-Yeung ran the PRC operations for several multinational companies as their general manager over a total of more than 17 years, including 11 years in the PRC for prominent names such as Revlon and Gillette. Prior to joining the MPI Group, Mr. Au-Yeung was the head of Gillette's operations in the PRC and was instrumental in building it up to become one of the major business units in Gillette's International Division. Mr. Au-Yeung holds a Master of Science degree in Physics and a Master of Business Administration degree from Indiana University.

執行董事

張家騏先生

副主席 • 51歲

張先生於一九九五年加入媒體伯樂集團，並於二零零一年六月獲委任為董事。張先生在媒體伯樂集團的策略和企業發展上擔當重要的角色。張先生最初於一間大型國際會計師行開展其專業，在香港及多倫多積逾八年審計和財管顧問的執業會計經驗。在加入媒體伯樂集團前，張先生曾擔任多間跨國製造及貿易公司的高級財務職位。張先生在美國威斯康辛大學取得工商管理學士及碩士學位，現為美國會計師公會、加拿大特許會計師公會的會員及香港會計師公會的會員。

杜碧珊女士

行政總裁 • 50歲

杜女士於一九九五年加入媒體伯樂集團，並於二零零一年六月獲委任為董事。杜女士於管理推廣及銷售日用消費品方面具有豐富經驗，專責發展及推行媒體伯樂集團的整體策略及政策執行。在加入媒體伯樂集團前，杜女士專責美國金巴拉卡拉克及美國史占的香港市場，及美國強生公司之中國及香港市場之管理工作。杜女士在中國工作超過十五年，現為中國重慶市政治協商委員會成員。杜女士畢業於香港浸會大學傳理系。

歐陽長健先生

董事 • 54歲

歐陽先生於一九九八年加入媒體伯樂集團，並於二零零一年六月獲委任為董事，負責向媒體伯樂集團提供有關中國組織及商業上發展事宜的意見。歐陽先生曾以總經理身份，為多間跨國公司管理中國業務逾十七年，包括其中十一年於國內為多間著名公司，如露華濃及吉列等公司工作。在加入媒體伯樂集團前，歐陽先生曾任吉列的中國業務主管，協助將吉列的中國業務發展成為其國際部門的主要業務單位。歐陽先生持有印第安納大學的物理學科學碩士學位及工商管理學碩士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

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執行董事

張家騏先生

副主席 • 51歲

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杜碧珊女士

行政總裁 • 50歲

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歐陽長健先生

董事 • 54歲

歐陽先生於一九九八年加入媒體伯樂集團，並於二零零一年六月獲委任為董事，負責向媒體伯樂集團提供有關中國組織及商業上發展事宜的意見。歐陽先生曾以總經理身份，為多間跨國公司管理中國業務逾十七年，包括其中十一年於國內為多間著名公司，如露華濃及吉列等公司工作。在加入媒體伯樂集團前，歐陽先生曾任吉列的中國業務主管，協助將吉列的中國業務發展成為其國際部門的主要業務單位。歐陽先生持有印第安納大學的物理學科學碩士學位及工商管理學碩士學位。

Non-executive Director

Mr. Gerald Lokchung CHAN

Chairman • Age: 52

Mr. Chan joined the MPI Group in 1995 and was appointed a non-executive Director in June 2001. Mr. Chan has been a board member of the Hang Lung Group Limited of Hong Kong since 1986. His focus for many years has been on venture capital and direct investments, both in the US and the PRC. Mr. Chan was previously a research fellow in pathology at the Harvard Medical School. His many non-profit activities include serving on the Visiting Committees of both the Harvard School of Public Health and the Massachusetts General Hospital Cancer Center in Boston. He received his undergraduate training in engineering at the University of California at Los Angeles and his Doctor of Science degree from Harvard University.

Independent non-executive Directors

Mr. Lawrence Juen-Yee LAU

Independent non-executive Director • Age: 58

Mr. Lau was appointed an independent non-executive Director in July 2001. Mr. Lau is the Kwoh-Ting Li Professor of Economic Development, Department of Economics, Stanford University, and a senior fellow of the Hoover Institution on War, Revolution and Peace, the Institute for International Studies, and the Stanford Institute for Economic Policy Research, Stanford University. Mr. Lau received his Bachelor of Science degree in Physics and Economics, with Great Distinction, from Stanford University in 1964 and his Master of Arts and Doctorate of Philosophy degrees in Economics from the University of California at Berkeley in 1966 and 1969 respectively. Mr. Lau joined the faculty of the Department of Economics, Stanford University in 1966 and became a full professor in 1976. In 1992, he was named the first Kwoh-Ting Li Professor of Economic Development at Stanford University. From 1992 to 1996, he served as a Co-Director of the Asia/Pacific Research Center, Stanford University. From 1997 to 1999, he was a director of the Stanford Institute for Economic Policy Research, Stanford University.

Mr. Paul Laurence SAFFO

Independent non-executive Director • Age: 48

Mr. Saffo was appointed an independent non-executive Director in July 2001 and acts as a forecaster advising a wide range of global clients on the long-term impact of emerging technologies on business and society. Mr. Saffo is co-chair of The 2002 Economist Magazine's Innovation Awards and is a member of the Royal Swedish Academy of Engineering Sciences. Mr. Saffo also serves on various boards and advisory panels including the Stanford Advisory Council on Science, Technology and Society, the Kiyon Systems Advisory Board, the Board of the Long Now Foundation as well as the Editorial Advisory Board of Business 2.0. Mr. Saffo holds degrees from the Harvard College, Cambridge University and Stanford University.

非執行董事

陳樂宗先生

主席 • 52歲

陳先生於一九九五年加入媒體伯樂集團，並於二零零一年六月獲委任為非執行董事。陳先生自一九八六年起，一直擔任香港恒隆集團有限公司董事會成員。陳先生在美國及中國從事多年的創業投資及直接投資等工作。陳先生曾任哈佛醫學院病理學研究員，並曾參與多項非牟利活動，包括出任哈佛大學公共衛生學院監察委員會及波士頓麻省總醫院癌症中心監察委員會成員。陳先生於洛杉磯加州大學修讀工程學學士課程，並在哈佛大學取得科學博士學位。

獨立非執行董事

劉遵義先生

獨立非執行董事 • 58歲

劉先生於二零零一年七月獲委任為本公司獨立非執行董事。劉先生為史丹福大學經濟系的李國鼎講座教授，以及為Hoover Institution on War, Revolution and Peace、Institute for International Studies及史丹福大學的史丹福經濟政策研究所的高級研究員。劉先生於一九六四年以優異成績獲史丹福大學頒授物理及經濟學的理學士學位，並分別於一九六六年及一九六九年獲加州柏克萊大學頒發經濟學碩士學位及博士學位。劉先生於一九六六年加入史丹福大學經濟系，並於一九七六年升任正教授。於一九九二年，獲名稱為史丹福大學經濟系的第一位李國鼎講座教授。由一九九二年至一九九六年期間，劉先生擔任史丹福大學亞太研究中心的共同所長，並於一九九七年至一九九九年期間，擔任史丹福大學經濟政策研究所的所長。

Paul Laurence SAFFO 先生

獨立非執行董事 • 48歲

Saffo 先生於二零零一年七月獲委任為本公司獨立非執行董事。Saffo 先生是一名為廣泛的國際客戶提供資訊科技對商業及社會的長遠影響之預測者。Saffo 先生為二零零二年度經濟學人雜誌「Innovation Awards」之聯席主席，及為Royal Swedish Academy of Engineering Sciences之會員。Saffo先生並擔任多個委員會及顧問小組成員，包括Stanford Advisory Council on Science、科學及社會研究中心、Kiyon Systems Advisory Board、Long Now Foundation 委員會及Business 2.0出版委員會等。Saffo先生持有由Harvard College、劍橋大學及史丹福大學頒授之學位。

Mr. Meocre Kwok Wing Li*Independent non-executive Director • Age: 47*

Mr. Li was appointed an independent non-executive Director of the Company in December 2001. Mr. Li is the founder and Chief Executive of Alpha Alliance Finance Holdings Limited. Mr. Li was previously the founder and Chief Executive of ICEA Finance Holdings Limited, the investment banking subsidiary of The Industrial and Commercial Bank of China. Prior to that, Mr. Li was the Chief Executive of NatWest Markets Corporate Finance Asia Limited, and before joining NatWest he was the Managing Partner of an international accounting firm. Mr. Li holds a Bachelor of Commerce degree from the University of Alberta, Canada and completed the Program for Management Development at the Harvard Graduate School of Business. Mr. Li is a qualified accountant and a member of the Hong Kong Society of Accountants and Association of Chartered Certified Accountants, United Kingdom.

SENIOR MANAGEMENT**Mr. Stephen Cheuk Kin LAW***Chief Financial Officer and Company Secretary • Age: 40*

Mr. Law was appointed by the Company in July 2001. He has 18 years of experience in accounting, finance, investment and development. Mr. Law is responsible for corporate development, financial management, corporate compliance and investor relations for the MPI Group. Prior to joining the MPI Group, Mr. Law gained extensive corporate finance and media industry experience working for the Wheelock and Wharf Groups for over five years, first, in corporate development and later in corporate finance where he led the dual listing of i-Cable Communications Limited in Hong Kong and the United States. Prior to working for Wheelock, Mr. Law served as regional financial controller for a number of international companies. Mr. Law started his career with a big four accounting firm in the United Kingdom. Mr. Law holds a Bachelor of Science degree from the University of Birmingham and a Masters degree in Business Administration from the University of Hull, United Kingdom. Mr. Law is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Society of Accountants and a registered practising Certified Public Accountant in Hong Kong.

Mr. Danny Zi Lin YANG*Vice President of Finance • Age: 39*

Mr. Yang joined the MPI Group in January 1999. Mr. Yang is responsible for overseeing the finance and accounting functions of the MPI Group's PRC operations. Prior to joining the MPI Group, Mr. Yang gained extensive industry experience as chief accountant and financial controller of Dentsu, Young and Rubicam (China). Prior to his eight years with Dentsu, Young and Rubicam (China), Mr. Yang served as vice director in the financial department of Shanghai Advertising & Decoration Corp. Mr. Yang graduated from Shanghai Financial & Economy University, as well as Shanghai Business Accounting College and has a Master's in Business Administration from the China Europe International Business School. Mr. Yang is a qualified accountant in the PRC.

Mr. Bob Kwai Hang LEUNG*Vice President of Sales • Age: 46*

Mr. Leung joined the MPI Group in June 1999, in charge of MPI Group's sales operations. Prior to joining the MPI Group, Mr. Leung was the general manager of Gillette Stationery Group in Hong Kong. He was involved in overseeing Gillette's operations in Singapore, Taiwan and Hong Kong. Mr. Leung has over 20 years of experience in sales, marketing and general management with various multi-national corporations such as Gillette, Parker Pen, San Miguel, Vitasoy and Kimberly-Clark.

李國榮先生*獨立非執行董事 • 47歲*

李先生於二零零一年十二月獲委任為本公司獨立非執行董事。李先生現為冠聯金融控股有限公司之總裁及創辦人。李先生曾為中國工商銀行之附屬投資銀行 - 工商東亞金融控股有限公司之創辦人及總裁。在此之前，李先生為西敏證券亞洲有限公司董事總經理。在加入西敏證券之前，李先生曾任一國際會計師行的主管合夥人。李先生擁有加拿大亞伯特省大學一級榮譽商學士學位，並完成了美國哈佛大學工商管理研究院高級管理人員的進修課程。李先生為英國特許會計師公會及香港會計師公會會員。

高級管理層**羅卓堅先生***財務總裁及公司秘書 • 40歲*

羅先生於二零零一年七月獲委任為本公司財務總裁及公司秘書。羅先生累積十八年會計、財務、投資及發展等經驗。羅先生負責媒體伯樂集團之企業拓展、財務管理、企業監察及投資者關係等工作。在加入媒體伯樂集團之前，羅先生曾於會德豐及九龍倉集團工作逾五年，其間累積豐富的企業財務及媒體行業經驗，首先從事企業拓展工作，其後參與企業財務工作，領導有線寬頻通訊有限公司在香港及美國共同上市。在加入會德豐工作之前，羅先生曾擔任多間跨國公司之區域財務總監。羅先生開展其事業於英國四大會計師行之其中一間，持有伯明翰大學理學士學位及英國赫爾大學工商管理碩士學位。羅先生為英格蘭和威爾斯特許會計師公會會員、香港會計師公會會員及香港註冊執業會計師。

楊自林先生*財務副總裁 • 39歲*

楊先生於一九九九年一月加入媒體伯樂集團，負責媒體伯樂集團中國業務之財務及會計事宜。在加入媒體伯樂集團之前，楊先生曾任(中國)電揚廣告有限公司之總會計師兼財務總監，擁有豐富的行業經驗。在(中國)電揚廣告有限公司服務八年之前，楊先生曾任Shanghai Advertising & Decoration Corp. 財務部副主管。楊先生畢業於上海財經大學及上海商業會計學校，並持有中歐國際工商管理學院之工商管理碩士學位。楊先生為中國合資格的會計師。

梁貴鏗先生*銷售副總裁 • 46歲*

梁先生於一九九九年六月加入媒體伯樂集團，負責媒體伯樂集團之銷售管理。在加入媒體伯樂集團之前，梁先生為香港吉列公司文儀用品部總經理，負責管理吉列公司於新加坡、台灣及香港等地區文儀用品之業務。梁先生曾任職吉列、派克筆、生力啤酒、維他奶及金巴拉卡拉克多間跨國公司，累積逾二十年銷售、市場推廣及全面管理之經驗。

Mr. Marcus Kwok Wing MA*Vice President of Media Development • Age: 53*

Mr. Ma joined the MPI Group in July 1996, in charge of media development operations for the MPI Group in the PRC. Mr. Ma has over 30 years of experience in the advertising industry and over 14 years of experience in the PRC. Before joining the MPI Group, Mr. Ma worked with Allied Advertising, Harpers, Young and Rubicam, Grey and Bates China. Mr. Ma began working at Grey when the group was founded, serving as media director for 15 years. In 1992, Mr. Ma was appointed by Grey as general manager in Beijing when the company set up a joint venture operation in the PRC. Mr. Ma joined Bates China in 1994 and was appointed general manager of Shanghai in charge of Central China.

Mr. Tony Hong Lin JIN*Vice President of Information Management and Process Management • Age: 33*

Mr. Jin joined the MPI Group in November 2001. Mr. Jin is responsible for the company's IT system, MIS projects related to overall operational systems and process management of some of the MPI Group's special projects. Prior to joining the MPI Group, Mr. Jin was the general manager of Beijing Century Yaolan Technology Ltd. From 1996 to 1998, Mr. Jin was the investment project manager of Sino-Pacific Fund Management Ltd. and was responsible for overseeing several joint venture investments with multi-national enterprises. Mr. Jin has a unique vision and rich experience in management information data mining with advanced technology tools. Mr. Jin holds a Masters degree from the Beijing Foreign Studies University where he focused on computational linguistics.

Mr. Min ZHANG*Vice President of Marketing and Business Development • Age: 44*

Mr. Zhang joined the MPI Group in December 2002. Mr. Zhang is responsible for marketing, media planning, development of national key customer accounts and the establishment of key customer account operation management systems. Prior to joining the MPI Group, Mr. Zhang was senior manager - Global Risk Management Solution for PriceWaterhouseCoopers. From 1995 to 2001, Mr. Zhang worked for Royal Dutch Shell International and was involved in brand management, retail network planning, marketing strategy, sales and investment strategy. Before that, Mr. Zhang was the manager of Welex International Company, Wuhan Branch, and Sales Manager for the Seven Ring Computer Company. Mr. Zhang holds a Bachelor of Economics & Management degree and a Masters in Business Administration from the Norwegian Business School of Economics and Management.

Ms. Nora Wing Chung Li*Vice President of Metro Business Development • Age: 45*

Ms. Li joined the MPI Group in August 1996. Ms. Li has been seconded to Shanghai Metro JV and is responsible for managing the sales operations and developing marketing strategies for the Shanghai Metro JV. Prior to her current position, Ms. Li served as general manager for the Guangzhou Metro JV and sales agent for MPI Group's outdoor media. Before joining the MPI Group, Ms. Li worked as account manager (Hong Kong MTR project) for JC Decaux Pearl & Dean Limited, an international out-of-home media specialist, for four years, followed by a further four years in developing the Shanghai Metro project. From 1980-1988, Ms. Li worked for Asia Television Limited where she was a group sales manager. Ms. Li holds a Bachelor of Arts in Economics from the University of Manitoba, Canada

馬國榮先生*媒體拓展副總裁 • 53歲*

馬先生於一九九六年七月加入媒體伯樂集團，負責媒體伯樂集團在中國媒體之拓展業務，馬先生積逾三十年廣告界經驗，並在中國積累超過十四年經驗。在加入媒體伯樂集團之前，馬先生曾於Allied Advertising、Harpers、Young and Rubicam、Grey及Bates China工作。在Grey集團創立之時，馬先生已經在其中工作，曾任媒介總監達十五年。一九九二年，當Grey在北京設立合營企業時，馬先生被委任為北京之總經理。馬先生於一九九四年加入Bates China，並獲委任為上海總經理，統管中國華中業務。

金洪林先生*信息管理及業務流程管理副總裁 • 33歲*

金先生於二零零一年十一月加入媒體伯樂集團，負責公司IT系統、整體營運體系相關之MIS系統及媒體伯樂集團內業務流程管理的一些特別項目。在加入媒體伯樂集團之前，金先生是北京世紀搖籃技術有限公司總經理。於一九九六年至一九九八年期間，金先生任職中太輕工基金管理有限公司投資項目經理，負責跨國企業之合營企業投資項目。金先生不但獨具慧眼，而且於運用先進技術於管理資訊發掘方面均擁有豐富之經驗。金先生持有北京外國語大學碩士學位，專業傾向計算語言學。

張敏先生*市場及業務拓展副總裁 • 34歲*

張先生於二零零二年十二月加入媒體伯樂集團，負責市場推廣、媒體策劃、拓展全國重點客戶及建立重點客戶營運管理系統。在加入媒體伯樂集團之前，張先生為普華永道全球風險管理服務高級經理。於一九九五年至二零零一年期間，張先生於英荷殼牌總公司工作，工作包括品牌管理、零售網絡管理、市場策劃、銷售及投資策略等。在此之前，張先生曾任Welex國際貿易公司之武漢分公司經理及七環電子技術公司銷售經理。張先生畢業於挪威經濟管理學院，持有經濟管理學士學位及工商管理碩士學位。

李穎中女士*地鐵業務拓展副總裁 • 45歲*

李女士於一九九六年八月加入媒體伯樂集團，其後李女士被調往上海華智，負責管理上海華智之市場銷售運作及發展策略。在擔任此職位之前，李女士擔任廣州地鐵合營企業之總經理及媒體伯樂集團戶外媒體之銷售代理。在加入媒體伯樂集團之前，李女士曾任一間國際戶外媒體專家德高貝登之客戶經理(香港地鐵項目)達四年，其後四年則負責發展上海地鐵項目。於一九八零年至一九八八年期間，李女士曾於亞洲電視有限公司工作，任職集團銷售經理。李女士持有加拿大馬尼托巴省大學經濟學文學士學位。

Ms. Daisy Wei Wu REN

Vice President of Human Resources and Administration • Age: 36

Ms. Ren joined the MPI Group in January 2003. Ms. Ren is responsible for the company's human resources and administration functions. Prior to joining the MPI Group, Ms. Ren was the Vice President of Business Operations for Shanghai Etang Information and Technology Service Ltd. From 1996 to 2000, Ms. Ren held the position of Regional Human Resources Director later taking on the role of Regional Sales and Operations Director for AVON Products (China) Ltd. Ms. Ren has extensive human resources and training experience. Her experience in sales, customer services and operations gives her a unique perspective in human resources management. Ms Ren holds a Masters in Business Administration from Fudan University after receiving a Law degree from the same institute.

Ms. Florence Yuk Lan WONG

Corporate Controller and Qualified Accountant • Age: 35

Ms. Wong was appointed by the Company in January 2002. She is responsible for overseeing the Group's corporate finance and accounting functions. Prior to joining the Group, Ms. Wong spent seven years with i-Cable Communications Limited and was responsible for overseeing financial accounting and regulatory reporting. Ms. Wong started her professional career with PriceWaterhouseCoopers, a major international accounting firm. Holding a Professional Diploma in Accountancy and a Masters in Corporate Finance from the Hong Kong Polytechnic University, Ms. Wong is a member of the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants.

Mr. Hang Jun LIU

General Manager-Nanjing • Age: 42

Mr. Liu joined the MPI Group in March 1999. Mr. Liu is responsible for the management of daily operations and the implementation of strategies for Nanjing MPI. Mr. Liu has over 20 years' experience in the transportation and advertising industries in Nanjing. Prior to joining the MPI Group, Mr. Liu worked for the Nanjing Municipal Public Transportation Advertising Company for 12 years, most recently as general manager. Mr. Liu was appointed deputy officer of the Public Transportation Advertising Committee of China's Advertising Association and a committee member of Changshu's and Nanjing's advertising committees. Mr. Liu received a diploma in Journalism and Communications from Nanjing University, a diploma from the Economic Management School of Nanjing Agriculture University and a Certificate of Business Administration Studies from the Graduate School of Renmin University in China.

Mr. Dexter Tak Yin HO

General Manager - South China • Age: 41

Mr. Ho joined the MPI Group in April 1999, Mr. Ho is responsible for the management of the daily operations and implementation of strategies for the MPI Group's operations in Chengdu, Chongqing, Guangzhou and Shenzhen. Prior to joining the MPI Group, Mr. Ho worked as a regional manager, sales operation manager and area manager for Polaroid Far East Limited in Guangzhou, Shanghai and Chengdu, respectively. With over 15 years experience, Mr. Ho has also held sales positions with Corning Hong Kong Limited, RJ Reynolds Nabisco China Limited and Nestle China Limited. Mr. Ho holds a Bachelor of Business Administration in Marketing from the Chinese University of Hong Kong.

任瑋吾女士

人力資源及行政副總裁 • 36歲

任女士於二零零三年一月加入媒體伯樂集團，負責公司整體的人力資源和行政工作。在加入媒體伯樂集團之前，任女士是上海億唐信息技術服務有限公司的業務副總裁。於一九九六年至二零零零年期間，任女士任職雅芳(中國)有限公司，先後擔任區域人力資源總監和區域銷售營運總監。任女士具備豐富的人力資源和培訓經驗，其在銷售、顧客服務及營運等方面的經驗使其在人力資源管理方面擁有全面及獨特的洞察力。任女士畢業於復旦大學，並取得法學學士學位及工商管理碩士學位。

黃玉蘭女士

財務總監及合資格會計師 • 35歲

黃女士於二零零二年一月獲委任為本公司的財務總監及合資格會計師，負責管理媒體伯樂集團財務及會計工作。在加入媒體伯樂集團之前，黃女士於有線寬頻通訊集團有限公司任職達七年，負責監督財務會計及監管報告。黃女士乃於一間國際會計師行羅兵咸永道會計師事務所開展其專業。黃女士畢業於香港理工大學並取得會計學專業文憑及企業融資碩士學位，亦為英國特許會計師公會及香港會計師公會會員。

劉航軍先生

南京合作公司總經理 • 42歲

劉先生於一九九九年三月加入媒體伯樂集團，負責管理南京梅迪派勒之日常運作及策略執行等工作，於南京運輸及廣告業積逾二十年經驗。在加入媒體伯樂集團之前，劉先生曾於南京市公共交通廣告公司服務達十二年，離任前為總經理。劉先生獲中國廣告協會之公共交通廣告委員會委任為副主席，亦為江蘇省及南京市廣告委員會成員。劉先生獲得南京大學新聞及傳播文憑，南京農業大學經濟管理系文憑及中國人民大學研究生院工商管理課程研修證書。

何德賢先生

中國南部區域總經理 • 41歲

何德賢先生於一九九九年四月加入媒體伯樂集團，負責管理媒體伯樂集團在成都、重慶、廣州及深圳之業務管理，包括日常運作及策略執行。在加入媒體伯樂集團之前，曾分別任職寶麗萊遠東有限公司廣州、上海及成都之區域經理、銷售營運經理及地區經理。何先生亦曾任職於康寧香港有限公司、納貝斯克中國有限公司及雀巢中國有限公司等多個銷售職位逾十五年。何先生持有香港中文大學工商管理市場學學士學位。

Mr. Jian Xin WEI*General Manager - Chongqing • Age: 46*

Mr. Wei joined the MPI Group in November 1999. Mr. Wei is responsible for the management of daily operations and the implementation of strategies for the Chongqing MPI Public Transport Advertising Co., Ltd. Mr. Wei has over 20 years of transportation experience in Chongqing. Prior to joining the MPI Group, Mr. Wei served as the vice manager, Chongqing No. 5 Public Transportation Company Limited. Mr. Wei holds a Bachelor's degree in economic management from Chongqing Administration College as well as a certificate of senior management granted by the Chongqing Municipal Commissioner of Economics.

Ms. Cindy Rui Xia YANG*General Manager - Guangzhou Yong Tong Metro Advertising Company Limited ("Guangzhou Metro JV") • Age: 37*

Ms. Yang joined the MPI Group in February 2002. Ms. Yang is responsible for the management of daily operations and the implementation of strategies at the Guangzhou Metro JV. Prior to joining the MPI Group, Ms. Yang worked for Marubeni (Guangzhou) Trading Co., Ltd. as main project manager and for Guangdong Karen Advertising and Media Co., Ltd as sales director. From 1994 to 1998, Ms. Yang worked for Lief Resources Pty., Ltd (SINOCEM Australia) and Unisun Chemical Pty., Ltd (Australia) where she was the PRC's Chief Representative. From 1988 to 1994, she worked for China Chemicals Import and Export Corporation Guangdong Branch (SINOCEM Guangdong) as a sales executive. Ms. Yang graduated from Fudan University in 1988 and holds a Bachelor's Degree in Economics.

Mr. Dennis Chung Man YUNG*General Manager - Shanghai and Wuhan • Age: 31*

Mr. Yung joined the MPI Group in December 1998. Mr. Yung is responsible for the management of daily operations and implementation of strategies for Shanghai and Wuhan. Prior to joining the MPI Group, Mr. Yung was a Vice Media Development Director in Sila Media Group (HK), responsible for developing advertisements and the program distribution business with TV stations in the eastern, central and southwest regions. Mr. Yung holds a Bachelor's Degree of Economics and Business from York University in Canada and is a member of the Chartered Institute of Marketing.

Mr. Petter Yu Xin LI*Business Director - Beijing Light Railway • Age: 34*

Mr. Lee joined the MPI Group in February 1998 to serve as the vice general manager of the Nanjing Co-operation Co. and is in charge of sales & marketing and business operation. Currently, Mr. Lee is in charge of development and business management for Beijing Light Railway. He has over 12 years' experience in the Advertising Industry. From 1994 to 1998, Mr. Lee worked as the Business Development Manager for Beijing Top Result Public Transportation Advertising Co., Ltd. Mr. Lee has also worked with Beijing Xinxin Advertising Co. and Shanghai Ogilvy & Mather Beijing. Mr. Lee graduated from the Beijing Foreign Economic & Trade University.

Mr. Acer Jia-Wei ZHANG*Business Director - Beijing Branch • Age: 26*

Mr. Zhang joined the MPI Group as National Client Service Director in November 2001. Currently, Mr. Zhang is involved in sales, operations and marketing for the Beijing Branch. Mr. Zhang has over 7 years' experience in the advertising industry. Prior to joining the MPI Group, Mr. Zhang was the central and southwest business director of Beijing Top Result Public Transportation Advertising Co., Ltd. Mr. Zhang graduated from the Fine Arts Institute of Technology College of Hubei.

魏建新先生*重慶合作公司總經理 • 46歲*

魏先生於一九九九年十一月加入媒體伯樂集團，負責管理重慶媒體伯樂公交廣告有限公司之日常運作及策略執行，在重慶市積逾二十年運輸業經驗。在加入媒體伯樂集團之前，魏先生曾任重慶市第五公共交通有限公司的副經理。魏先生持有重慶行政學院經濟管理學學士學位，及由重慶市經濟委員會頒授之高級管理資格證書。

楊瑞霞女士*廣州地鐵永通廣告有限公司(「廣州永通」)總經理 • 37歲*

楊女士於二零零二年二月加入媒體伯樂集團，負責廣州永通之日常運作及策略執行。在加入媒體伯樂集團之前，楊女士曾於丸紅(廣州)貿易有限公司擔任大型專案經理，及於廣東凱倫文化傳播有限公司擔任業務總監。於一九九四年至一九九八年期間，楊女士於利富資源有限公司(中化澳大利亞)及聯日化工有限公司(澳大利亞)擔任駐中國首席代表。於一九八八年至一九九四年期間，楊女士在中國化工進出口公司廣東省分公司擔任營銷主管。楊女士於一九九八年畢業於復旦大學經濟學系，並取得經濟學學士學位。

翁忠文先生*上海及武漢地區總經理 • 31歲*

翁先生於一九九八年十二月加入媒體伯樂集團，負責管理上海及武漢地區業務之日常運作及策略執行。在加入媒體伯樂集團之前，於香港兆立傳媒集團任職媒體發展副總監，負責開拓華東、華中及西南地區的電視台廣告和節目分配之合作，及發展廣告項目。翁先生持有加拿大約克大學商業經濟學學士學位，並為英國市務學會正式會員。

李宇昕先生*北京城鐵專案業務總監 • 34歲*

李先生於一九九八年二月加入媒體伯樂集團，曾經擔任南京合作公司的副總經理，負責銷售和市場營運及管理運作。李先生現時負責管理媒體伯樂集團北京分公司城鐵專案的市場發展及管理工作。李先生擁有十二年廣告公司工作經驗，於一九九四年至一九九八年期間，李先生曾任北京通城推廣公交廣告有限公司業務拓展經理。此外，李先生曾任職於北京欣欣廣告公司及上海奧美廣告公司北京分公司。李先生畢業於北京對外經濟貿易大學。

張家維先生*北京分公司業務總監 • 26歲*

張先生於二零零一年十一月加入媒體伯樂集團任全國客戶服務總監。張先生現時負責北京分公司銷售、營運及推廣媒體發展等工作。張先生積逾七年廣告行業經驗。在加入媒體伯樂集團之前，張先生曾任北京通成推廣公交廣告有限公司華中及西南地區業務總監。張先生畢業於湖北工學院美術系。

REPORT OF THE DIRECTORS 董事會報告

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company for the year ended 31 December 2002.

GROUP REORGANISATION AND LISTING ON THE GEM

The Company was incorporated in the Cayman Islands on 14 May 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands under the name of MPI Holdings Inc. The Company changed its name to Media Partners International Holdings Inc. on 8 June 2001. Pursuant to a group reorganisation (the “Reorganisation”) for the purpose of listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited, the Company became the holding company of the subsidiaries now comprising the Group on 9 January 2002. Details of the Company’s subsidiaries now comprising the Group are set out in note 15 to the financial statements.

Further details of the Reorganisation are set out in note 1 to the financial statements and in the Company’s prospectus dated 15 January 2002 (the “Prospectus”).

On 31 January 2002, the shares of the Company were listed on and commenced trading on the GEM.

PRINCIPAL ACTIVITIES

The principal activity of the Company and its subsidiaries, together with its associates and jointly controlled entities, is to manage and operate a prominent network of outdoor advertising media in the Mainland China and Hong Kong.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries are set out in note 15 to the financial statements.

董事謹此提呈本公司截至二零零二年十二月三十一日止年度之年報及經審核財務報表。

集團重組及在創業板上市

本公司根據開曼群島公司法(二零零零年修訂本)於二零零一年五月十四日以MPI Holdings Inc. 名稱在開曼群島註冊成立為獲豁免有限公司，其後於二零零一年六月八日易名為Media Partners International Holdings Inc.。為籌備本公司股份在香港聯合交易所有限公司創業板(以下簡稱「創業板」)上市，本集團曾進行重組(以下簡稱「重組」)。本公司因此於二零零二年一月九日成為本集團現時旗下附屬公司之控股公司。有關本集團現時旗下附屬公司之詳情載於財務報表附註15。

有關重組之其他詳情載於財務報表附註1及本公司二零零二年一月十五日之招股章程(以下簡稱「招股章程」)。

本公司之股份於二零零二年一月三十一日在創業板上市及買賣。

主要業務

本公司與其附屬公司、聯營公司及共同控制實體之主要業務為在中國內地及香港管理經營一個著名之戶外廣告媒體網絡。

有關本公司及其附屬公司之主要業務及經營地區分析載於財務報表附註15。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to major customers and suppliers, respectively, during the financial year is as follows:

		Percentage of the Group's total 佔本集團總額百分比 %
The largest customer	最大客戶	2.88
Five largest customers in aggregate	五大客戶合計	10.44
The largest supplier	最大供應商	5.42
Five largest suppliers in aggregate	五大供應商合計	22.84

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in any of the major customers and suppliers referred to above.

FINANCIAL STATEMENTS

The loss of the Group for the year ended 31 December 2002 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 71 to 145.

The Directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2002.

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 35 to the financial statements.

Shares were issued during the year pursuant to the Reorganisation and the listing to increase the capital base of the Company.

Details of the Company's share option scheme are set out in the section headed "Share Option Scheme" of this report.

主要客戶及供應商

本集團於本財政年度之主要客戶及供應商分別所佔本集團銷售額及採購額之資料如下：

於年內任何時間，本公司各董事、彼等之聯繫人士及就董事所知持有本公司股本超過5%之股東概無持有上述主要客戶及供應商之任何權益。

財務報表

本集團截至二零零二年十二月三十一日止年度之虧損及本公司與本集團於該日之狀況載於財務報表第71至145頁。

本公司董事並不建議派付截至二零零二年十二月三十一日止年度之股息。

固定資產

本集團固定資產之變動詳情載於財務報表附註14。

股本

本公司股本變動詳情載於財務報表附註35。

本公司於年內根據重組及上市發行股份，以擴大本公司之資本基礎。

有關本公司購股權計劃之詳情載於本報告「購股權計劃」一節。

REPORT OF THE DIRECTORS 董事會報告

RESERVES

Details of movements in the reserves of the Group are set out in note 36 to the financial statements.

CONVERTIBLE BOND

Details of the Convertible Bond are set out in note 32 to the financial statements.

DIRECTORS

The Directors of the Company who held office during the year up to the date of this report were as follows:

Executive directors

George Ka Ki CHANG
Winnie Pik Shan TO
Tony Cheung Kin AU-YEUNG

Non-executive director

Gerald Lokchung CHAN

Independent non-executive directors

Lawrence Juen Yee LAU
Meocre Kwok Wing LI
Paul Laurence SAFFO

In accordance with Article 87 of the Company's Articles of Association, Messrs. George Ka Ki Chang and Tony Cheung Kin Au-Yeung will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors of the Company and the five highest paid individuals of the Group are set out in notes 7 and 8 to the financial statements.

儲備

本集團之儲備變動詳情載於財務報表附註36。

可換股債券

有關可換股債券之詳情載於財務報表附註32。

董事

本公司於年內至本報告日期止任職之董事如下：

執行董事

張家騏
杜碧珊
歐陽長健

非執行董事

陳樂宗

獨立非執行董事

劉遵義
李國榮
Paul Laurence SAFFO

根據本公司組織章程細則第87條，張家騏先生及歐陽長健先生將於應屆股東週年大會上告退，惟彼等符合資格並願膺選連任。

董事酬金及五名最高薪酬僱員

本公司董事及本集團五名最高薪酬僱員之酬金詳情載於財務報表附註7及8。

REPORT OF THE DIRECTORS

董事會報告

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the costs charged to the consolidated profit and loss account for the year ended 31 December 2002 are set out in notes 5 and 29 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

(a) Shares

As at 31 December 2002, none of the Directors or their associates had any personal, family, corporate or other interest in the issued share capital of the Company or any of its associated corporations as defined in the SDI Ordinance.

(b) Share Options

Pursuant to the Share Option Scheme adopted by the Company on 7 January 2002, the following Director was granted share options for nominal consideration to subscribe for the shares of the Company, details of which as at 31 December 2002 are as follows:-

Name of Director	Date of grant	Subscription price per share	Number of options granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance as at 31/12/2002	Options period
董事姓名	授予日期	每股股份認購價	期內授出購股權數目	期內行使數目	期內註銷/失效數目	於二零零二年十二月三十一日尚未行使之購股權數目	購股權行使期
To Pik Shan, Winnie 杜碧珊	14/8/2002 二零零二年 八月十四日	HK\$0.62	8,538,000	-	-	8,538,000	14/8/2002 to 13/8/2012 (Note) 二零零二年 八月十四日 至二零一二年 八月十三日 (附註)

退休福利計劃

本集團之退休福利計劃及截至二零零二年十二月三十一日止年度綜合損益表扣除之成本詳情載於財務報表附註5及29。

董事之股份權益

(a) 股份

於二零零二年十二月三十一日，各董事及其聯繫人士於本公司或其任何聯營公司(定義見證券披露權益條例)之已發行股本概無擁有任何個人、家族、公司或其他權益。

(b) 購股權

根據本公司於二零零二年一月七日採納之購股權計劃，以下董事以象徵式代價獲授購股權，可認購本公司之股份。購股權於二零零二年十二月三十一日之詳情如下：

REPORT OF THE DIRECTORS 董事會報告

Note:

The options will vest in four equal annual instalments commencing on the first anniversary date of 14 August 2002 i.e. one-fourth of the shares subject to the option will vest on 13 August 2003 with an additional one-fourth of shares subject to the option will respectively vest on each of the next three succeeding anniversary dates.

Save as disclosed above, as at 31 December 2002, none of the Directors or their associates had any interests in the shares of the Company or its associated corporations as recorded in the register required to be kept under section 29 of SDI Ordinance.

SHARE OPTION SCHEME

The Company adopted a share option scheme approved by way of written resolution of the Company on 7 January 2002 ("the Scheme"). The major terms of the Scheme are summarised as follows:–

I. Summary of the Scheme

(a) Purposes of the Scheme

The purpose of the Scheme is to reward the participants who have contributed to the Group. The Directors, at their sole discretion, will consider one or more of the following criteria in deciding whether a person has contributed to the Group:–

- (i) contribution to the development and performance of the Group;
- (ii) quality of work performed for the Group;
- (iii) initiative and commitment in performing his/her duties; and
- (iv) length of service or contribution to the Group.

附註：

有關購股權將分為四等份，由二零零二年八月十四日起每年分批生效。即自二零零三年八月十三日起，可認購四分之一所涉股份，而其後三個週年日起各可再認購四分之一所涉股份。

除上述者外，根據證券披露權益條例第29條規定存置之股東名冊所示，於二零零二年十二月三十一日，概無任何董事或其聯繫人士擁有本公司或其聯營公司之任何股份權益。

購股權計劃

本公司於二零零二年一月七日通過書面決議案批准並採納購股權計劃(以下簡稱「購股權計劃」)。購股權計劃之主要條款概述如下：

I. 購股權計劃概要

(a) 購股權計劃之宗旨

購股權計劃旨在回饋對本集團有貢獻之參與者。董事會將考慮以下條件，以全權決定有關人士有否對本集團作出貢獻：

- (i) 對本集團之發展及表現作出貢獻；
- (ii) 在本集團工作之表現；
- (iii) 工作之積極性及投入程度；及
- (iv) 在本集團服務或貢獻之時間。

REPORT OF THE DIRECTORS

董事會報告

(b) *Participants of the Scheme*

Pursuant to the terms of the Scheme, the Company may grant options to any employees and certain consultants, suppliers or customers of the Group who, at the sole discretion of the Board, have, in accordance with paragraph (a) above, contributed to the Group.

(c) *Total number of shares available for issue under the Scheme*

The maximum number of shares in respect of which options may be granted under the Scheme must not exceed 30% of total number of shares of the Company in issue from time to time.

The shares of the Company which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed the Scheme Mandate Limit, being 10% of the shares of the Company in issue on Listing Date, "Scheme Mandate Limit" subject to the renewal of the Scheme Mandate Limit by Shareholders in general meeting from time to time provided that the Scheme Mandate Limit as renewed must not exceed 10% of the shares of the Company in issue as at the date of the relevant Shareholders' approval. Share Options lapsed in accordance with the terms of the Share Option Scheme however will not be counted for the purpose of calculating the Scheme Mandate Limit.

(d) *Maximum entitlement of each participant*

The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each participant or grantee (as the case may be) (including both exercised and outstanding options) in any 12 month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant.

(e) *Timing of exercise of options*

Pursuant to the terms of the Scheme, an option may be exercised in accordance with the terms of the Scheme at any time during the option period but may not be exercised after the expiry of ten years from the date of grant of the option. The Directors may provide restrictions on the exercise of an option during the option period including, if appropriate,

(b) 購股權計劃之參與者

根據購股權計劃之條款，本公司可向董事會按(a)段所述全權認為對本集團有貢獻之任何本集團僱員、若干顧問、供應商或客戶授予購股權。

(c) 可根據購股權計劃發行之股份總數

購股權計劃可授予之購股權所涉之股份總數，不得超逾本公司不時已發行股份之30%。

因悉數行使根據購股權計劃及本公司任何其他購股權計劃授出之購股權而可能發行之本公司股份數目不得超過計劃授權上限，即緊接本公司上市日已發行股份之10%（以下簡稱「計劃授權上限」），惟股東可隨時於股東大會上批准更新計劃授權上限，而更新之計劃授權上限不得超過於有關股東批准之日本公司已發行股份之10%。根據購股權計劃條款失效之購股權將不計入此項計劃授權上限內。

(d) 個別參與者可獲授之上限

截至授予購股權日期止之十二個月期間，因行使已經或將授予個別參與者或承受人（視情況而定）之購股權（包括已行使及未行使之購股權）而已經或可發行之股份總數，不得超逾授予日期已發行股份之1%。

(e) 行使購股權之期限

根據購股權計劃之條款，購股權可於行使期內隨時按購股權計劃條款行使，惟於購股權授予日期起滿十年後即不可行使。董事會可訂下於行使期內行使購股權之限制，包括（如適用），

REPORT OF THE DIRECTORS 董事會報告

- (i) a minimum period during which all or part of an option may be exercised; and
- (ii) performance targets which must be achieved before the options can be exercised.

(f) *Payment on acceptance of an option*

Pursuant to the terms of the Scheme, HK\$1.00 is payable by the grantee to the Company on acceptance of an option within 28 days from the date of offer.

(g) *Basis of determining the subscription price*

The subscription price per share under the Scheme is determined by the Directors of the Company and notified to the grantee and shall be no less than the higher of:

- (i) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share of the Company on the date of grant of the option.

(h) *Duration of the Scheme*

Subject to the terms of the Scheme, the Scheme shall be valid at effective for a period of 10 years commencing 31 January 2002.

The other principal terms of the Scheme are set out in the Prospectus of the Company dated 15 January 2002.

- (i) 可行使全部或部分購股權之最短期限；及
- (ii) 行使購股權前須先達到之表現目標。

(f) *接納購股權應付之費用*

根據購股權計劃之條款，接納購股權之承授人須於購股權授出日期起計28日內向本公司支付1.00港元。

(g) *認購價之釐定基準*

購股權計劃之每股認購價由本公司董事釐定及知會承授人，並不得低於以下三者之較高者：

- (i) 本公司股份於購股權授予日期在聯交所每日報價表所示之收市價；
- (ii) 本公司股份於緊接購股權授予日期前五個營業日在聯交所每日報價表所示之平均收市價；及
- (iii) 本公司股份於購股權授予日期之面值。

(h) *購股權計劃之期限*

除購股權計劃條款另有規定外，購股權計劃自二零零二年一月三十一日起計十年內有效。

購股權計劃之其他主要條款刊載於本公司二零零二年一月十五日之招股章程。

REPORT OF THE DIRECTORS

董事會報告

II. Share Option Scheme

At 31 December 2002, the Directors, employees of the Group including its jointly controlled entities and certain other participants had been granted options to subscribe for shares of the Company (market value per share at 31 December 2002 is HK\$0.205). Each option gives the holder the right to subscribe for one share of the Company, details of which at 31 December 2002 are as follows:–

Type of grantee	Date of grant	Subscription price per share	Number of options granted during the period	Exercised during the period	Cancelled/lapsed during the period	Balance at 31/12/2002 於二零零二年十二月三十一日 尚未行使之購股權數目	Option period
承授人類別	授予日期	每股股份認購價	期內授出購股權數目	期內行使數目	期內註銷/失效數目		購股權行使期
Director 董事	14/8/2002 二零零二年八月十四日	HK\$0.62	8,538,000	–	–	8,538,000	14/8/2002 to 13/8/2012 (Note 1a) 二零零二年八月十四日 至二零一二年八月十三日 (附註1a)
Employees 僱員	14/8/2002 二零零二年八月十四日	HK\$0.62	8,210,000	–	1,120,000 (Note 2) (附註2)	7,090,000	14/08/2002 to 13/08/2012 (Notes 1b & 1c) 二零零二年八月十四日 至二零一二年八月十三日 (附註1b及1c)
Other participants 其他參與者	14/8/2002 二零零二年八月十四日	HK\$0.62	1,700,000	–	–	1,700,000	14/08/2002 to 13/08/2012 (Note 1a) 二零零二年八月十四日 至二零一二年八月十三日 (附註1a)

II. 購股權計劃

於二零零二年十二月三十一日，本集團（包括其共同控制實體）之董事、僱員及若干其他參與者獲授予可認購本公司股份（股份於二零零二年十二月三十一日之市價為每股0.205港元）之購股權。每一份購股權之持有人可認購一股本公司股份。有關購股權於二零零二年十二月三十一日之詳情如下：

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. The number of shares subject to the options shall vest in four equal annual instalments. The timing of vesting of options at HK\$0.62 per share is as follows:–
 - (a) the options will vest in four equal annual instalments commencing on the first anniversary date from 14 August 2002 i.e. one-fourth of the shares subject to the option will vest on 13 August 2003 with an additional one-fourth of the shares subject to the option respectively vest on each of the next three succeeding anniversary dates.
 - (b) for those grantees who have worked for the Group including its jointly controlled entities for over one year at 14 August 2002, one-fourth of the shares subject to the option shall vest on the first anniversary date from 14 August 2002. An additional one-fourth of the shares subject to the option will respectively vest on each of the next three succeeding anniversary dates.
 - (c) for those grantees who have worked for the Group including its jointly controlled entities for less than one year at 14 August 2002, one-fourth of the shares subject to the option will vest on the second anniversary date of their respective commencement dates of employment with the Group or its jointly controlled entities. An additional one-fourth of the shares subject to the option will respectively vest on each of the next three succeeding anniversary dates.
2. During the year, an aggregate of 1,120,000 options lapsed upon the termination of relevant employees' employment with the Group.
3. At 31 December 2002, the number of shares of the Company available for issue under the Scheme in respect thereof was 68,052,000 shares.

Black-Scholes option pricing model

The financial impact of options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are cancelled prior to their exercise date are deleted from the register of outstanding options.

附註：

1. 有關購股權所涉股份數目將分為四等份，每年分批生效。購股權生效而可按每股0.62港元之價格認購股份之時間如下：
 - (a) 有關購股權將分為四等份，由二零零二年八月十四日起計滿一周年之日分批生效。即購股權自二零零三年八月十三日起可認購四分之一所涉股份，而於其後三個週年日起各可再認購四分之一所涉股份。
 - (b) 截至二零零二年八月十四日為本集團（包括其共同控制實體）工作滿一年之承授人，可自二零零二年八月十四日起計首個週年日行使購股權認購其中所涉四分之一股份，其後三個週年日起各可分別再認購四分之一所涉股份。
 - (c) 截至二零零二年八月十四日為本集團（包括其共同控制實體）工作未滿一年之承授人，其購股權將自受僱於本集團或其共同控制實體當日起計第二個週年日生效，可認購有關購股權所涉四分之一股份，其後三個週年日起各可分別再認購四分之一所涉股份。
2. 年內共有1,120,000份購股權因有關僱員與本集團之僱傭關係終止而失效。
3. 於二零零二年十二月三十一日，本公司根據購股權計劃可發行68,052,000股股份。

[柏力克－舒爾斯]期權定價模式

授予購股權之財務影響在購股權行使前並不計入本公司或本集團之資產負債表，而購股權成本亦不計入損益表或資產負債表。當行使購股權後，本公司會將因而發行之股份按面值列為額外股本，而行使價超逾股份面值之部分則計入本公司股份溢價賬。於行使期前註銷之購股權將從未行使之購股權登記冊內剔除。

REPORT OF THE DIRECTORS

董事會報告

The directors have obtained the following theoretical valuations of the options granted during the year, calculated using the Black-Scholes option pricing model (the "Model") as at the date of the grant of the options:

董事以「柏力克－舒爾斯」期權定價模式(以下簡稱「定價模式」)計算出年內所授購股權於購股權授予日期之理論價值如下：

Grantee 承授人	Number of share options granted during the year 年內所授購股權數目	Theoretical value of share options 購股權之理論價值 HK\$ 港元
Director 董事	8,538,000	2,151,000
Employees 僱員	8,210,000	2,069,000
Other participants 其他參與者	1,700,000	428,000

The Model is developed to estimate the fair value of publicly traded share options that have no vesting restriction and are fully transferable. The Model is only one of the commonly used models to estimate the fair value of an option.

定價模式乃為釐定並無權益歸屬限制且可自由轉讓之公開買賣購股權之公平值而制訂。此模式僅屬釐定購股權公平值之其中一種常用模式。

The significant assumptions used in the calculation of the theoretical values of the options are as follows:

計算購股權理論價值之重要假設如下：

Risk free rate 無風險利率	:	4.497%, being the approximate yield of 10-year Hong Kong Exchange Fund Notes traded on 14 August 2002. 4.497%，即十年期香港外匯基金票據於二零零二年八月十四日之概約息率。
Expected volatility 預期波幅	:	64.36%, being the annualised volatility of the closing price of the Company's shares from HK\$1.19 to HK\$0.37. 64.36%，即本公司股份於收市價1.19港元至0.37港元之全年計算之波幅
Expected life of the options 預期購股權之有效期	:	10 years 十年

Assumption:

假設：

There is no material difference between the expected volatility over the whole life of the options and the historical volatility of the Company's shares over the period from 31 January 2002 to 14 August 2002.

本公司股份於購股權有效期內之預期波幅與二零零二年一月三十一日至二零零二年八月十四日期間之實際波幅並無重大分別。

REPORT OF THE DIRECTORS 董事會報告

The measurement dates used in the theoretical value calculations were the dates on which the share options were granted. The values of share options calculated using the Model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of the assumptions of expected future performance input to the Model and certain inherent limitations of the Model itself.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2002, according to the register of substantial shareholders required to be maintained under Section 16(1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more in the issued share capital of the Company:

Name 名稱	No. of shares held 所持股份數目	Approximate percentage of issued share capital 佔已發行股本概約百分比
Morningside CyberVentures Holdings Limited ("MSCV") (note 1)	640,000,000	75%
Morningside CyberVentures Holdings Limited ("MSCV") (附註1)		
Verrall Limited via MSCV (note 2)		
Verrall Limited透過MSCV持有(附註2)	640,000,000	75%

Notes:

1. MSCV is wholly-owned by Verrall Limited.
2. Verrall Limited is the trustee of a discretionary trust established by Mdm Chan Tan Ching Fen, the mother of Mr Gerald Lokchung Chan. None of the objects of this trust are Directors nor are they otherwise involved in the management of the Group.

Other than as disclosed above, the Company has not been notified of any other interest representing 10% or more of the Company's issued share capital as at the date of this report.

MANAGEMENT SHAREHOLDERS

So far as the Directors are aware, other than MSCV and Verrall Limited as disclosed above, there is no other person who is directly or indirectly, interested in 5% or more of the issued share capital of the Company and who is able, as a practical matter, to direct or influence the management of the Company.

計算理論價值所用之日期為購股權之授予日期。由於以定價模式計算時採用之預期未來表現假設涉及主觀及不明朗因素，加上定價模式本身之若干限制，因此以定價模式釐定之購股權價值亦存在若干根本限制。

主要股東

於二零零二年十二月三十一日，根據本公司按披露權益條例第16(1)條規定設立之主要股東名冊，本公司獲悉以下股東擁有本公司已發行股本10%或以上之權益：

No. of shares held 所持股份數目	Approximate percentage of issued share capital 佔已發行股本概約百分比
640,000,000	75%
640,000,000	75%

附註：

1. MSCV由Verrall Limited全資擁有。
2. Verrall Limited乃陳譚慶芬女士(陳樂宗先生之母親)設立之全權信託之受託人。此項信託之受益人均非董事，亦無參與本集團之管理。

除上文所披露者外，就本公司所知，於本報告日期，並無任何其他人士擁有本公司已發行股本10%或以上之任何其他權益。

管理層股東

就董事所知，除上文所披露之MSCV及Verrall Limited外，其他人士並無直接或間接擁有本公司已發行股本5%或以上之權益，亦無實際擁有控制或影響本公司管理之權力。

REPORT OF THE DIRECTORS

董事會報告

SPONSOR'S INTEREST

At 31 December 2002, an associate of BNP Paribas Peregrine Capital Limited ("the Sponsor") held 2,222,000 shares in the Company. Save as disclosed herein, neither the Sponsor nor its directors, employees or associates (as referred to in note 3 to Rule 6.35 of the GEM Listing Rules), at 31 December 2002, had any interests in the securities of the Company.

Pursuant to an agreement dated 15 January 2002 entered into between the Company and the Sponsor, the Sponsor will receive a fee for acting as the Company's sponsor for the period from 31 January 2002 to 31 December 2004.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party, in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

Each of Mr George Ka Ki Chang and Mr Tony Cheung Kin Au-Yeung has entered into a Director's service agreement with the Company and Ms Winnie Pik Shan To has entered into a Director's service agreement with Media Partners International Limited, a wholly-owned subsidiary of the Company. Each agreement is for a period of two years commencing on 7 January 2002 and shall continue thereafter until terminated by either party giving to the other not less than three calendar months' prior notice in writing, so as to expire no earlier than the end of the second year or any time thereafter.

The term of office of each of the non-executive directors is for the period up to 6 January 2004.

Except for the above, none of the directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

保薦人權益

於二零零二年十二月三十一日，法國巴黎百富勤融資有限公司(以下簡稱「保薦人」)之一名聯繫人士持有本公司2,222,000股股份。除此以外，於二零零二年十二月三十一日，保薦人及其董事、僱員及聯繫人士(定義見創業板上市規則第6.35條附註3)概無擁有本公司任何證券權益。

根據本公司與保薦人於二零零二年一月十五日訂立之協議，保薦人將於二零零二年一月三十一日至二零零四年十二月三十一日期間擔任本公司保薦人而收取費用。

董事之合約權益

董事概無於本公司、其控股公司、任何附屬公司或同系附屬公司於年結或年內任何時間訂立而對本公司關係重大之任何重大合約中擁有重大權益。

董事之服務合約

張家騏先生及歐陽長健先生已分別與本公司訂立董事服務協議，而杜碧珊女士則與本公司之全資附屬公司梅迪派勒廣告有限公司訂立董事服務協議。各協議均由二零零二年一月七日起生效，有效期兩年，其後繼續有效直至任何一方不少於三個月前向對方發出書面通知要求終止協議為止，而協議終止日期不得早於第二年年底屆滿之日。

各非執行董事之任期將於二零零四年一月六日屆滿。

除上述者外，在應屆股東週年大會上候選連任之董事概無訂立本公司或其附屬公司於一年內不可賠償(一般法定賠償除外)的情況下終止尚未屆滿服務合約。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, have engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

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

During the year ended 31 December 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2002 are set out in note 26 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 146 of the annual report.

CONTINUING CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2002 which do not constitute connected transactions under the GEM Listing Rules are disclosed in note 38 to the financial statements.

Details of the continuing connected transactions are also set out in note 38 to the financial statements.

董事之競爭業務權益

本公司各董事、管理層股東、主要股東或彼等各自之聯繫人士概無經營任何與本集團業務競爭或可能競爭之業務，亦與本集團並無其他利益衝突。

買賣或贖回本公司上市證券

於截至二零零二年十二月三十一日止年度內，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

銀行貸款及其他借貸

本集團於二零零二年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註26。

財務概要

本集團之業績及資產與負債概要載於本年報第146頁。

持續關連交易

本集團於截至二零零二年十二月三十一日止年度訂立而根據創業板上市規則不屬於關連交易之重大關連人士交易披露於財務報表附註38。

持續關連交易之詳情載於財務報表附註38。

REPORT OF THE DIRECTORS

董事會報告

Transactions entered into during the year under review

As disclosed in the section headed “Connected transactions” in the Prospectus and a circular dated 26 June 2002, the Group has entered into, among others, the following continuing connected transactions:–

(i) Administrative Services Agreement

On 9 January 2002, the Company entered into an administrative services agreement with MTI Administration Limited, a wholly owned subsidiary of MSCV, the ultimate holding company, to provide or procure the provision of administration services to the Group, which include but are not limited to the following:

- (a) company secretarial and corporate development work;
- (b) legal services; and
- (c) administrative services incidental to the above.

(together hereinafter referred to as the “Administrative Services”)

The Company agreed to pay MTI Administration Limited, on a monthly basis, a proportion of the monthly total staff costs in relation to the above administrative services rendered by such persons supplied by MTI Administration Limited by reference to their timesheets for the amount of time they have spent on matters for the Group as a proportion to their total working time. During the year, the aggregate consideration paid by the Company to MTI Administration Limited in respect of the Administrative Services was HK\$832,000.

The Administrative Services constitute non-exempt continuing connected transactions and, therefore, under Rule 20.26 of the GEM Listing Rules, are subject to the announcement requirements set out in Rule 20.35 of the GEM Listing Rules and the shareholders’ approval requirements set out in Rule 20.36 of the GEM Listing Rules. The Company has obtained from the Stock Exchange a waiver from the strict compliance with Rules 20.35 and 20.36 of the GEM Listing Rules in respect of such continuing connected transactions for a period of three years ending on 31 December 2004 provided that, among other things, the consideration in respect of the Administrative Services Agreement does not exceed a cap of HK\$2,564,000 for the year under review.

於回顧年度內訂立之交易

按本公司於招股章程及二零零二年六月二十六日之通函內「關連交易」一節所述，本集團於回顧年度曾進行以下持續關連交易：

(i) 管理服務協議

於二零零二年一月九日，本公司與晨興科技管理服務有限公司(最終控股公司MSCV之全資附屬公司)訂立管理服務協議，為本集團提供或安排管理服務，包括但不限於以下各項：

- (a) 公司秘書及企業發展工作；
- (b) 法律服務；及
- (c) 以上兩項之相關管理服務。

(以下統稱「管理服務」)

本公司同意根據晨興科技管理服務有限公司人員提供管理服務的工作時間表，按彼等為本集團服務所佔總工作時間之比例，每月向晨興科技管理服務有限公司支付有關部分之僱員總成本。年內，本公司就管理服務向晨興科技管理服務有限公司支付之代價合共832,000港元。

由於管理服務屬於非獲豁免之持續關連交易，故根據創業板上市規則第20.26條，須遵守創業板上市規則第20.35條所訂之公佈規定及創業板上市規則第20.36條所訂之股東批准規定。本公司已就該等持續關連交易取得聯交所豁免，於截至二零零四年十二月三十一日止之三個年度內毋須嚴格遵守創業板上市規則第20.35及20.36條，惟於回顧年度就管理服務協議支付之代價不得超過上限2,564,000港元。

REPORT OF THE DIRECTORS

董事會報告

(ii) Advertising Agency Agreement

On 31 May 2002, a subsidiary of the Company, Chengdu MPI Public Transport Advertising Co. Ltd. (“Chengdu Advertising MPI”) entered into an Advertising Agency Agreement with 成都運興公交有限公司 (“Bus JV”) whereby Chengdu Advertising MPI will provide advertising agency and management services to the Bus JV. The annual cap amount for the year ended 31 December 2002 was HK\$15,000,000, and the annual cap amounts for each of the two financial years ending 31 December 2003 and 2004 are HK\$21,000,000 and HK\$29,000,000 respectively. These annual cap amounts were determined with reference to the projected amount payable to the Bus JV by Chengdu Advertising MPI in the relevant year, which shall be 70% of the amount received by Chengdu Advertising MPI for the placement of advertisements on bus bodies. Details of this transaction were set out in the circular dated 26 June 2002 issued by the Company. The aforesaid transaction was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 12 July 2002. During the year, the aggregate consideration paid by the Bus JV to Chengdu Advertising MPI in respect of the Advertising Agency Agreement amounted to HK\$3,491,000.

As the cap amounts for the above continuing connected transactions are greater than the higher of HK\$10,000,000 or 3% of the net tangible assets of the Group, the continuing connected transactions and the cap amounts are subject to review and re-approval by the independent shareholders of the Company at the forthcoming annual general meeting of the Company.

The independent non-executive directors of the Company have reviewed the connected transactions as referred to under (i) and (ii) above and have confirmed that these continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(ii) 廣告代理協議

二零零二年五月三十一日，本公司附屬公司成都媒體伯樂公交廣告有限公司(以下簡稱「成都媒體伯樂」)與成都運興公交有限公司(以下簡稱「成都運興」)訂立廣告代理協議，由成都媒體伯樂向成都運興提供廣告代理及管理服務。有關協議截至二零零二年十二月三十一日止年度之交易額上限為15,000,000港元，而截至二零零三及二零零四年十二月三十一日止兩個財政年度之上限則分別為21,000,000港元及29,000,000港元。有關年度上限乃參考成都媒體伯樂於有關年度應付成都運興之預計費用而釐定，相當於成都媒體伯樂安排巴士車身廣告所獲收入之70%。此項交易之詳情載於本公司二零零二年六月二十六日之通函。上述交易已於本公司二零零二年七月十二日舉行之特別股東大會上獲獨立股東之批准。年內，成都運興就廣告代理協議而付予本公司之代價合共3,491,000港元。

由於上述持續關連交易之上限超逾10,000,000港元或本集團有形資產淨值之3% (以較高者為準)，因此有關交易及交易額上限須由本公司獨立股東於本公司應屆股東週年大會上檢討及重新批准。

本公司之獨立非執行董事已檢討上文第(i)及(ii)項所述之關連交易，並確認該等持續關連交易乃(a)於本集團之一般日常及正常業務內、(b)根據一般正常商業條款或不遜於本集團與獨立第三者交易之條款及(c)根據相關協議條款的規定而進行，交易條款乃公平合理，並且合乎股東的整體利益。

REPORT OF THE DIRECTORS 董事會報告

The auditors of the Company have confirmed that the connected transactions as referred to under (i) and (ii) above (a) have received the approval of the board of directors of the Company; (b) are in accordance with the pricing policies of the Group where the transactions involve provision of goods and services by the Group; (c) have been entered into in accordance with the relevant agreements governing the transactions; and (d) have not exceeded their respective caps.

BOARD PRACTICES AND PROCEDURES

During the year ended 31 December 2002, the Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee on 7 January 2002 with written terms of reference in compliance with the requirements as set out in Rule 5.23 of the GEM Listing Rules.

The primary duties of the audit committee are to review the financial reporting process and internal control system of the Group and provide advice and comments to the Board of Directors of the Company.

The audit committee comprises three independent non-executive directors, Mr Meocre Kwok Wing Li, Professor Lawrence Juen Yee LAU and Mr Paul Laurence SAFFO. The audit committee has met four times during the year.

AUDITORS

KPMG retire and being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Stephen Cheuk Kin LAW

Company Secretary

Hong Kong, 19 March 2003

本公司之核數師確認，上文第(i)及(ii)項所述之關連交易(a)已獲得本公司董事會批准；(b)符合本公司之定價政策(如交易涉及由本集團提供貨物及服務)；(c)乃根據規範該等交易之相關協議而進行；及(d)並無超過其各自之上限。

董事會常規及程序

於截至二零零二年十二月三十一日止年度內，本公司一直遵守創業板上市規則第5.28至5.39條所列之董事會常規及程序。

審核委員會

本公司於二零零二年一月七日成立審核委員會，並根據創業板上市規則第5.23條之規定制訂其書面職權範圍。

審核委員會之主要職責在於檢討本集團之財務申報程序及內部監控制度，並向本公司董事會提供意見及建議。

審核委員會由三位獨立非執行董事李國榮先生、劉遵義教授及Paul Laurence SAFFO先生所組成。審核委員會於年內曾舉行四次會議。

核數師

畢馬威會計師事務所將會退任，惟符合資格並願意接受續聘。在應屆股東週年大會上將提呈決議案，續聘畢馬威會計師事務所為本公司之核數師。

承董事會命

公司秘書

羅卓堅

香港，二零零三年三月十九日

AUDITORS' REPORT

核數師報告

**Auditors' report to the shareholders of
Media Partners International Holdings Inc.**
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 71 to 145 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of the financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

致媒體伯樂集團有限公司各股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核刊於第71至145頁按照香港公認會計原則編撰經審核財務報表。

董事及核數師的責任

貴公司董事須負責編撰真實而公允的財務報表。在編撰真實而公允的財務報表時，必須選擇及貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對財務報表提出獨立意見，並向股東報告。

意見的基礎

我們按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編撰財務報表時所作的主要估計和判斷、所採用的會計政策是否適合貴公司及貴集團的具體情況，以及有否貫徹運用並足夠披露該等會計政策。

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，以能獲得充分憑證，就財務報表是否存在重大錯誤陳述作合理的確定。在提出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作足以作為我們意見的合理基礎。

AUDITORS' REPORT

核數師報告

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2002 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 19 March 2003

意見

我們認為，財務報表能真實與公允地反映貴公司及貴集團於二零零二年十二月三十一日的財政狀況和貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》適當地編撰。

畢馬威會計師事務所

執業會計師

香港，二零零三年三月十九日

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益表

for the year ended 31 December 2002 截至二零零二年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2002	2001
		附註	\$'000	\$'000
			千元	千元
Operating revenue	經營收入			
Turnover	營業額	3	290,804	258,976
Other revenue	其他收入	4	17,305	22,053
Other net income	其他收益淨額	4	205	1,684
Operating expenses	經營開支			
Site rental and other direct costs	廣告位租金及其他直接成本		(219,012)	(177,960)
Staff costs	僱員成本	5(b)	(33,691)	(26,224)
Depreciation and amortisation	折舊及攤銷		(34,843)	(35,574)
Other operating expenses	其他經營開支		(28,971)	(16,321)
Provision for onerous contracts	合約承擔虧損撥備	27(b)	(12,626)	–
(Loss)/profit from operations	經營(虧損)/溢利		(20,829)	26,634
Finance costs	融資成本	5(a)	(11,293)	(7,371)
Share of profits less losses of associates	分佔聯營公司溢利減虧損		2,276	5,046
Share of profits less losses of jointly controlled entities	分佔共同控制實體溢利減虧損		15,847	15,125
(Loss)/profit from ordinary activities before taxation	經常業務除稅前(虧損)/溢利	5	(13,999)	39,434
Taxation	稅項	6	(12,564)	(12,316)
(Loss)/profit from ordinary activities after taxation	經常業務除稅後(虧損)/溢利		(26,563)	27,118
Minority interests	少數股東權益		(3,378)	(3,731)
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利	9 & 36(a)	(29,941)	23,387
(Loss)/earnings per share	每股(虧損)/盈利			
– Basic	– 基本	11(a)	(3.6) cents 仙	3.7 cents 仙

The notes on pages 80 to 145 form part of these financial statements.
第80至第145頁之附註為財務報表一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

at 31 December 2002 於二零零二年十二月三十一日
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2002	2001
		附註	\$'000	\$'000
			千元	千元
Non-current assets	非流動資產			
Fixed assets	固定資產	14	15,067	14,159
Interest in associates	聯營公司權益	16	2,786	4,760
Interest in jointly controlled entities	共同控制實體權益	17	61,595	60,115
Amounts due from a jointly controlled entity	應收一間共同控制實體款項	17	18,692	18,692
Advertising rights	媒體使用權	18	253,929	260,796
Goodwill	商譽	19	2,873	–
			354,942	358,522
Current assets	流動資產			
Accounts receivable	應收賬款	20	46,475	42,896
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	20	107,980	50,280
Amounts due from jointly controlled entities	應收共同控制實體款項	21	9,198	2,383
Amounts due from minority shareholders	應收少數股東款項	22	3,746	6,294
Amounts due from related companies	應收關連公司款項	23	459	493
Pledged bank deposits	已抵押銀行存款	24	196,446	77,588
Cash and cash equivalents	現金及等同現金項目	25	161,409	45,257
			525,713	225,191
Current liabilities	流動負債			
Bank loans	銀行貸款	26	232,153	136,308
Accounts payable	應付賬款	27	22,507	22,513
Other payables, deposits and provisions	其他應付賬款、按金及撥備	27	57,641	43,358
Amounts due to jointly controlled entities	應付共同控制實體款項	28	10,340	6,610
Amounts due to related companies	應付關連公司款項	23	3,074	–
Taxation payable	應付稅項	30	603	1,510
			326,318	210,299
Net current assets	流動資產淨值		199,395	14,892
Total assets less current liabilities	總資產減流動負債		554,337	373,414

CONSOLIDATED BALANCE SHEET (continued)

綜合資產負債表 (續)

at 31 December 2002 於二零零二年十二月三十一日
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2002	2001
		附註	\$'000	\$'000
			千元	千元
Non-current liabilities	非流動負債			
Loans from a fellow subsidiary and ultimate holding company	來自同系附屬公司及最終控股公司貸款	31	–	190,977
Convertible Bond	可換股債券	32	85,000	–
Deferred taxation	遞延稅項	33	–	49
			85,000	191,026
Minority interests	少數股東權益	34	20,333	22,438
			105,333	213,464
NET ASSETS	資產淨值		449,004	159,950
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	35	85,380	–
Reserves	儲備	36	363,624	159,950
			449,004	159,950

Approved and authorised for issue by the board of directors on 19 March 2003.
經由董事會於二零零三年三月十九日批准及授權刊發。

George Ka Ki Chang
張家騏
Director
董事

Winnie Pik Shan To
杜碧珊
Director
董事

The notes on pages 80 to 145 form part of these financial statements.
第80至第145頁之附註為財務報表一部份。

BALANCE SHEET

資產負債表

at 31 December 2002 於二零零二年十二月三十一日
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2002	2001
		附註	\$'000	\$'000
			千元	千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	15	340,748	–
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	20	62	3,187
Amount due from a related company	應收一間關連公司款項	23	6	–
Cash and cash equivalents	現金及等同現金項目	25	59,346	1
			59,414	3,188
Current liabilities	流動負債			
Other payables, deposits and provisions	其他應付賬款、按金及撥備	27	1,786	101
Amounts due to fellow subsidiaries	應付同系附屬公司款項		–	3,200
			1,786	3,301
Net current assets/(liabilities)	流動資產/(負債)淨額		57,628	(113)
Total assets less current liabilities	總資產減流動負債		398,376	(113)
Non-current liabilities	非流動負債			
Convertible Bond	可換股債券	32	85,000	–
			85,000	–
NET ASSETS/(LIABILITIES)	資產/(負債)淨值		313,376	(113)
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	35	85,380	–
Reserves	儲備	36	227,996	(113)
			313,376	(113)

Approved and authorised for issue by the board of directors on 19 March 2003.
經由董事會於二零零三年三月十九日批准及授權刊發。

George Ka Ki Chang
張家騏
Director
董事

Winnie Pik Shan To
杜碧珊
Director
董事

The notes on pages 80 to 145 form part of these financial statements.
第80至第145頁之附註為財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

股權變動綜合報表

for the year ended 31 December 2002 截至二零零二年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元為單位)

		Share capital 股本	Share premium 股本溢價	Merger reserves 合併儲備	Other capital reserves 其他資本 儲備	Revenue reserves 收入儲備	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2001	於二零零一年 一月一日	-	-	255,466	(61,518)	(57,385)	136,563
Net profit for the year	本年度純利	-	-	-	-	23,387	23,387
At 31 December 2001	於二零零一年 十二月三十一日	-	-	255,466	(61,518)	(33,998)	159,950
At 1 January 2002	於二零零二年 一月一日	-	-	255,466	(61,518)	(33,998)	159,950
Capitalisation of shareholders' loans	股東貸款資本化	63,900	42,078	-	-	-	105,978
Issue of Placing shares	發行配售股份	21,380	213,800	-	-	-	235,180
Share issue expenses	發行股份開支	-	(22,163)	-	-	-	(22,163)
Movements arising from the Reorganisation	重組所產生 之變動	100	-	(100)	-	-	-
Net loss for the year	本年度 虧損淨額	-	-	-	-	(29,941)	(29,941)
At 31 December 2002	於二零零二年 十二月三十一日	85,380	233,715	255,366	(61,518)	(63,939)	449,004

The notes on pages 80 to 145 form part of these financial statements.
第80至第145頁之附註為財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2002 截至二零零二年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元為單位)

		2002		2001	
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Operating activities	經營業務				
(Loss)/profit from operations	經營(虧損)/溢利	(20,829)		26,634	
Adjustments for:	就下列項目作出調整：				
– Interest income	– 利息收入	(4,614)		(4,288)	
– Depreciation and amortisation	– 折舊及攤銷	34,843		35,574	
– Profit on sales of fixed assets	– 出售固定資產溢利	(205)		(1,684)	
– Provision for onerous contracts	– 合約承擔虧損撥備	12,626		–	
Operating profit before changes in working capital	營運資金變動前之經營溢利	21,821		56,236	
Increase in accounts receivable	應收賬款增加	(3,579)		(20,876)	
Increase in other receivables, deposits and prepayments	其他應收賬款、按金及預付款項增加	(1,545)		(318)	
(Increase)/decrease in amounts due from jointly controlled entities	應收共同控制實體款項(增加)/減少	(6,815)		16,974	
(Increase)/decrease in amounts due from minority shareholders	應收少數股東款項(增加)/減少	(894)		383	
Decrease in amounts due from related companies	應收關連公司款項減少	34		3,692	
Increase in accounts payable	應付賬款增加	4,461		7,039	
Increase/(decrease) in other payables, deposits and provisions	其他應付賬款、按金及撥備增加/(減少)	1,591		(5,493)	
Increase in amounts due to jointly controlled entities	應付共同控制實體款項增加	3,730		–	
Increase in amounts due to related companies	應付關連公司款項增加	3,074		–	
Cash generated from operations	經營所得現金	21,878		57,637	
Tax paid	已付稅項				
– Hong Kong profits tax refund/(paid)	– 退回/(已付)香港利得稅	152		(887)	
– PRC tax paid	– 已付中國稅項	(7,319)		(5,702)	
Net cash from operating activities	經營業務所得現金淨額	14,711		51,048	

CONSOLIDATED CASH FLOW STATEMENT (continued)

綜合現金流量表 (續)

for the year ended 31 December 2002 截至二零零二年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元為單位)

	Note 附註	2002		2001	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Investing activities					
(Increase)/decrease in pledged deposits					
Payments for the purchase of fixed assets					
Proceeds from sales of fixed assets					
Payments for the purchase of advertising rights					
Payments for deposits in respect of acquisition/use of advertising rights					
Payment for the purchase of remaining shares in a subsidiary					
Share capital contributed to a jointly controlled entity					
Share capital contributed by minority shareholders					
Interest received					
Dividends received from an associate					
Dividends received from a jointly controlled entity					
Net cash used in investing activities					
Financing activities					
Proceeds on issue of placing shares					
Share issue expenses					
Proceeds from new bank loans					
Repayment of loans from a fellow subsidiary and ultimate holding company					
Interest paid					
Dividends paid to minority shareholders					

CONSOLIDATED CASH FLOW STATEMENT *(continued)*

綜合現金流量表 (續)

for the year ended 31 December 2002 截至二零零二年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元為單位)

	Note 附註	2002		2001	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Net cash from financing activities	融資活動所得現金淨額		293,773		9,480
Net increase in cash and cash equivalents	現金及等同現金項目增加淨額		116,152		2,725
Cash and cash equivalents at 1 January	一月一日之現金及等同現金項目		45,257		42,532
Effect of foreign exchange rates changes	匯率變動之影響		—		—
Cash and cash equivalents at 31 December	十二月三十一日之現金及等同現金項目	25	161,409		45,257

The notes on pages 80 to 145 form part of these financial statements.
第80至第145頁之附註為財務報表一部份。

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

(Expressed in Hong Kong dollars) (以港元為單位)

(a) Acquisition of a subsidiary

On 17 June 2002, the Group acquired the remaining 5% interest in Metrolink Investments Ltd. ("Metrolink") from the minority shareholders for a consideration of \$3,500,000. The acquisition resulted in an increase of the Group's equity holding in Metrolink from 95% to 100%.

(a) 收購一間附屬公司

二零零二年六月十七日，本集團以代價3,500,000元向少數股東收購Metrolink Investments Ltd. (以下簡稱「Metrolink」) 餘下5%權益。收購行動使本集團於Metrolink之股權由95%增至100%。

		2002 \$'000 千元
Net assets acquired	收購資產淨值	
Minority interests	少數股東權益	441
Goodwill arising on consolidation (note 19)	綜合賬目產生之商譽 (附註19)	3,059
		3,500
Satisfied by:	以下列方式支付：	
Total purchase price paid, satisfied in cash	已付總收購價，以現金支付	3,500
Net cash outflow in respect of acquisition of a subsidiary	收購一間附屬公司之現金流出淨額	3,500

(b) Major non-cash transactions

On 9 January 2002, the Company entered into an agreement with Morningside CyberVentures Holdings Limited, the ultimate holding company such that, prior to the placing of shares of the Company on the Growth Enterprise Market, an amount of \$105,978,176 representing unsecured loans due to the ultimate holding company was capitalised. The remaining unsecured loans due to the ultimate holding company of \$85,000,000 were satisfied by the issue of the Convertible Bond.

(b) 主要非現金交易

二零零二年一月九日，本公司與最終控股公司Morningside CyberVentures Holdings Limited訂立協議，於本公司股份在創業板上市前，將應付最終控股公司之無抵押貸款105,978,176元撥作資本。應付最終控股公司其餘無抵押貸款85,000,000元以發行可換股債券方式償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) The Company

The Company was incorporated in the Cayman Islands on 14 May 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands.

(b) Group Reorganisation and listing on the Growth Enterprise Market

Pursuant to a group Reorganisation (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited, the Company became the holding company of the subsidiaries now comprising the Group on 9 January 2002. The Reorganisation was accomplished by acquiring the entire share capital of Polyland Holdings Limited (“Polyland”) in consideration of and in exchange for the issue and allotment of 999,990 shares to Morningside Technologies Inc. (“MTI”), the former shareholder of Polyland. Further details of the Reorganisation are set out in the Company’s prospectus dated 15 January 2002 (“the Prospectus”).

All entities which took part in the Reorganisation were wholly owned by Morningside CyberVentures Holdings Limited (“MSCV”), the ultimate holding company of Polyland and MTI, before and immediately after the Reorganisation and, consequently, there was a continuation of the risks and benefits to the ultimate shareholder that existed prior to the Reorganisation.

The Company obtained a listing on GEM on 31 January 2002.

1. 集團重組及財務報表之編撰基準

(a) 本公司

本公司根據開曼群島公司法(二零零零年修訂本)於二零零一年五月十四日在開曼群島註冊成立為獲豁免有限公司。

(b) 集團重組及於創業板上市

為籌備本公司股份於香港聯合交易所有限公司創業板(以下簡稱「創業板」)上市而重整本集團結構所進行之集團重組(以下簡稱「重組」)，本公司於二零零二年一月九日成為本集團現有附屬公司之控股公司。重組透過收購Polyland Holdings Limited(以下簡稱「Polyland」)之全部股本達成，而收購代價為向Polyland前股東Morningside Technologies Inc.(以下簡稱「MTI」)發行及配發999,990股股份。本公司二零零二年一月十五日之招股章程(以下簡稱「招股章程」)載有重組之其他資料。

由於所有涉及重組之公司於重組前或立即重組後當時均由Polyland及MTI之最終控股公司Morningside CyberVentures Holdings Limited(以下簡稱「MSCV」)全資擁有，故最終股東於重組後仍須繼續承擔及享有重組前已存在之相關風險及利益。

本公司於二零零二年一月三十一日取得在創業板上市資格。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

(c) Basis of presentation and preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost.

The Reorganisation has been accounted for as a Reorganisation of businesses under common control under the merger accounting methodology. Accordingly, the consolidated financial statements have been prepared on the basis of historical costs and as if the subsidiaries had been part of the Group throughout the periods presented, except for any acquisitions or disposals subsequent to the Reorganisation, which are accounted for under the acquisition basis of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements also comply with the applicable disclosure provisions of the rules governing the Listing of Securities on GEM. A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from or to the date of their acquisition or disposal, as appropriate. All material intra-group transactions and balances are eliminated on consolidation.

1. 集團重組及財務報表之編撰基準 (續)

(c) 呈報基準及財務報表之編撰基準

編撰財務報表時乃採用過往成本作為計算基準。

重組是根據合併會計法，將共同控制之業務重組。因此，綜合財務報表乃按過往成本基準編撰，並假設各附屬公司在呈報期間一直屬於本集團，惟於重組後任何收購或出售項目則按收購會計準則計算。

2. 主要會計政策

(a) 遵例聲明

財務報表乃按香港會計師公會頒佈之所有相關會計實務準則及詮釋、香港公認會計原則及香港公司條例之披露規定編撰。

財務報表亦符合創業板證券上市規則之相關披露規定。本集團採用之主要會計政策載於下文。

(b) 綜合賬目基準

綜合財務報表包括本公司及其所有附屬公司截至每年十二月三十一日之財務報表。年內收購或出售之附屬公司業績分別視乎情況而自收購日期起或截至出售日期止計入綜合損益表。所有集團內公司間之重大交易及結餘均已於綜合賬目時互相對銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

As explained in note 1(b), the Company became the holding company of the Group on 9 January 2002. The Group has been treated as a continuing entity and, accordingly, the consolidated financial statements have been prepared on the basis that the Company was the holding company of the Group for the years ended 31 December 2001 and 2002. Accordingly, the results and cash flows of the Group for the year ended 31 December 2001 include the results and cash flows of the Company and its subsidiaries with effect from 1 January 2001 or since their respective dates of incorporation, where this is a shorter period.

(c) Subsidiaries

A subsidiary is an enterprise controlled by the Company. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

An investment in a subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests represent those interests of outside shareholders in the operating results and net assets of certain subsidiaries.

2. 主要會計政策 (續)

(b) 綜合賬目基準 (續)

按附註1(b)所述，本公司於二零零二年一月九日成為本集團之控股公司。本集團被視為一直存在，故此綜合財務報表乃假設本公司於截至二零零一年及二零零二年十二月三十一日止年度均為本集團之控股公司而編撰。因此，本集團截至二零零一年十二月三十一日止年度之業績及現金流量乃包括本公司及其附屬公司自二零零一年一月一日或彼等各自之註冊成立日期起(以較短者為準)之業績及現金流量。

(c) 附屬公司

附屬公司為本公司控制之公司。倘若本公司具有權力直接或間接監管該公司之財務及經營策略，透過其業務獲益，即本公司對附屬公司有控制權。

對附屬公司之投資計入綜合財務報表，而收購及持有附屬公司之目的僅在於不久後出售，或在長期嚴格限制下經營導致難以將資金調撥至本集團者則除外。在此情況下，有關附屬公司會按公允價值計入綜合資產負債表，而公允價值之變動出現時會在綜合損益表確認。

集團公司間之結餘與交易及任何集團公司間交易產生之未變現溢利，均於編撰綜合財務報表時悉數撇銷。集團公司間交易產生之未變現虧損同樣以未變現盈利之方式撇銷，惟以並無減值證據之數額為限。

少數股東權益指外界股東所佔若干附屬公司經營業績與資產淨值之權益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries (continued)

Where a subsidiary, in which there are minority shareholders, has net liabilities, the minority's share thereof is not accounted for unless the minority shareholders have a contractual obligation to reimburse the Group for their share of the losses of that subsidiary and receipt of such reimbursement is probable.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 2(h)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the Company's profit and loss account as they arise. The results of subsidiaries are accounted for by the Company on the basis of dividends declared or approved in the Company's accounting period.

(d) Associates and jointly controlled entities

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

2. 主要會計政策 (續)

(c) 附屬公司 (續)

倘有少數股東之附屬公司出現負債淨額，除非少數股東具合約責任須就所佔附屬公司之虧損向本集團補償，且可以取得該補償，否則並不會扣除有關少數股東所佔負債。

本公司資產負債表所示對附屬公司之投資，乃按成本減去任何減值虧損（見附註2(h)）入賬，而收購及持有附屬公司之目的僅在於不久後出售，或在長期嚴格限制下經營導致難以將資金調撥至本集團者則除外。在此情況下，有關附屬公司會按公允價值計入本公司資產負債表，而公允價值之變動會於出現時在綜合損益表確認。本公司以本身會計期間所獲宣佈派發或批准之股息作為計算附屬公司業績基準。

(d) 聯營公司及共同控制實體

聯營公司指本集團或本公司可以對其管理層發揮重大影響力的實體，包括參與其財務及經營決策，但不是控制或共同控制其管理層。

共同控制實體指本集團或本公司與其他人士根據合約安排經營，而有關合約安排確定本集團或本公司與一位或多位其他人士可共同控制該實體之經濟活動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associates and jointly controlled entities (continued)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor or venturer, in which case it is stated at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise. The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associates and jointly controlled entities for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 2(e).

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated profit and loss account.

(e) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired. In respect of controlled subsidiaries and associates and jointly controlled entities:

- for acquisitions before 1 January 2001, positive goodwill is eliminated against reserves and is reduced by impairment losses (see note 2(h)); and

2. 主要會計政策 (續)

(d) 聯營公司及共同控制實體 (續)

對聯營公司或共同控制實體之投資根據權益法記入綜合財務報表，初期按成本入賬，其後就本集團所佔聯營公司或共同控制實體之資產淨值於收購後出現之變更作出調整，而收購及持有之目的僅在於不久後出售，或在長期嚴格限制下經營導致難以將資金調撥至投資者或合營者則除外。在此情況下，將按公允價值計入綜合資產負債表，而公允價值之變動會於出現時在綜合損益表確認。綜合損益表可顯示本集團所佔聯營公司及共同控制實體於年內之收購後業績，其中包括根據附註2(e)所述年內扣除或入賬之正商譽或負商譽。

本集團與聯營公司及共同控制實體交易所得之未變現盈虧，其中本集團所佔聯營公司或共同控制實體權益比例之部份撇銷，惟未變現虧損有證據顯示所轉讓資產出現減值時，則減值將即時在綜合損益表確認。

(e) 商譽

綜合賬目所產生之正商譽即收購成本高於本集團佔所收購可分辨資產與負債公允價值之差額。就受控制附屬公司、聯營公司及共同控制實體而言：

- 對於二零零一年一月一日之前所作出的收購，正商譽與儲備抵銷，並且減去減值虧損(見附註2(h))；而

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

- for acquisitions on or after 1 January 2001, positive goodwill is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life which does not exceed 20 years. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 2(h)).

In respect of acquisitions of associates and jointly controlled entities, the cost of positive goodwill arising on or after 1 January 2001 less any accumulated amortisation and any impairment losses (see note 2(h)) is included in the carrying amount of the interest in associates or jointly controlled entities.

Negative goodwill arising on acquisitions of controlled subsidiaries, associates and jointly controlled entities represents the excess of the Group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. Negative goodwill is accounted for as follows:

- for acquisitions before 1 January 2001, negative goodwill is credited to a capital reserve; and
- for acquisitions on or after 1 January 2001, to the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated profit and loss account over the useful life of those non-monetary assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated profit and loss account.

2. 主要會計政策 (續)

(e) 商譽 (續)

- 對於二零零一年一月一日或之後作出的收購，正商譽是按其預計可用年限但不超過20年，以直線法在綜合損益表內攤銷。正商譽是按成本減去任何累計攤銷及任何減值虧損記入綜合資產負債表(見附註2(h))。

於二零零一年一月一日或之後產生之收購聯營公司及共同控制實體正商譽成本，在扣減任何累計攤銷及任何減值虧損(見附註2(h))後，計入聯營公司或共同控制實體權益之賬面值。

收購受控制附屬公司、聯營公司及共同控制實體時所產生之負商譽，指本集團佔所收購可分辨資產與負債公允價值高於收購成本之差額。負商譽按下列方式入賬：

- 對於二零零一年一月一日前所作出的收購，負商譽計入資本儲備；而
- 對於在二零零一年一月一日或之後作出的收購，假如負商譽關乎已在收購計劃中確定及可以可靠地計算，但尚未確認的預計未來虧損和支出，便會在未來虧損和支出確認時，在綜合損益表內確認。任何尚餘的負商譽(但以所收購非貨幣資產公平價值為限)則按應計折舊／攤銷的非貨幣資產的加權平均可用年限，在綜合損益表內確認。然而，如尚餘的負商譽數額高於所收購非貨幣資產公平價值，這部份負商譽便會立即在綜合損益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

On disposal of a controlled subsidiary, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill not previously amortised through the consolidated profit and loss account or which has previously been dealt with as a movement on Group reserves is included in the calculation of the profit or loss on disposal.

(f) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses (see note 2(h)).

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements 租賃物業裝修	over the term of the lease 租賃期
Advertising displays 廣告顯示器	over the term of the contract 合約期
Computer equipment 電腦設備	3 years 三年
Furniture, fixtures and equipment 傢俬、裝置及設備	5 years 五年
Motor vehicles 汽車	4 to 5 years 四至五年

With effect from 1 January 2002, the estimated useful lives of computer equipment were revised from 5 years to 3 years following a re-appraisal of the estimated useful lives. This change in accounting estimate has resulted in an increase in the depreciation charge for the year ended 31 December 2002 of \$250,000.

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing assets, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

2. 主要會計政策 (續)

(e) 商譽 (續)

如於年內出售受控制附屬公司、聯營公司或合營公司，以往未在綜合損益表攤銷或以往作為集團儲備變動處理的應佔購入商譽的數額，均在計算出售的溢利或虧損時包括在內。

(f) 固定資產及折舊

固定資產按成本減累計折舊及任何減值虧損入賬(見附註2(h))。

折舊乃以直線法按以下固定資產之估計可使用期撇銷其成本：

over the term of the lease 租賃期
over the term of the contract 合約期
3 years 三年
5 years 五年
4 to 5 years 四至五年

二零零二年一月一日起，經過重新評估後，電腦設備之估計可使用期由五年改為三年。有關會計改變使截至二零零二年十二月三十一日止年度之折舊開支增加250,000元。

倘日後可能為企業帶來經濟利益，並超過現有資產原估計表現水平時，則已入賬固定資產之其後開支加入該資產之賬面值。所有其他入賬後開支於出現期間確認為開支。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Fixed assets and depreciation (continued)

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated profit and loss account on the date of retirement or disposal.

(g) Advertising rights

Advertising rights represent fees paid to secure exclusive rights to sell advertising space on certain specified assets or at certain specified locations for a specific period of time.

Advertising rights are stated at cost less accumulated amortisation and any impairment losses (see note 2(h)).

Amortisation is calculated on a straight-line basis over the agreed periods of use of the advertising rights, which range from 5 to 20 years, starting from the date of commencement of the commercial use of the advertising rights.

Subsequent expenditure on advertising rights after their purchase or their completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the advertising rights.

(h) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

2. 主要會計政策 (續)

(f) 固定資產及折舊 (續)

棄用或出售固定資產之盈虧，即按估計出售所得款項淨額與資產賬面值之差額，於棄用或出售當日於綜合損益表確認。

(g) 媒體使用權

媒體使用權即取得在指定期間銷售若干指定資產或若干指定地點廣告位之獨家的媒體權所支付之費用。

媒體使用權以原值減累計攤銷及任何減值虧損(見附註2(h))入賬。

攤銷以直線法按媒體使用權之協定期限計算，年期由媒體使用權開始作商業用途起計五至二十年不等。

購買或完成媒體使用權後之開支於出現時確認為開支，惟該項開支可為資產帶來日後經濟利益，並超過原估計表現水平，且該項開支可以計算並屬於該資產者則除外。倘若符合上述條件，則其後開支將加入媒體使用權之原值。

(h) 資產減值

每逢結算日均審核內部及外來資料，衡量是否有跡象顯示固定資產已出現減值或先前已確認者經已不再存在或已減少。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated profit and loss account in the year in which the reversals are recognised.

2. 主要會計政策 (續)

(h) 資產減值 (續)

倘出現任何該等跡象，則會估計資產之可收回數額。當資產賬面值超過可收回數額時，便會確認減值虧損。

(i) 計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)來釐定可收回數額。

(ii) 減值虧損轉回

倘若用以釐定可收回數額的估計發生有利的變化，便會將資產減值虧損轉回；但商譽除外。至於商譽的減值虧損，倘若虧損是由性質獨特及預計不會再出現的特殊外界因素所造成，而且可收回數額的增加明顯是與該特殊因素轉回有關，才會將減值虧損轉回。

所轉回的減值虧損以假設沒有在往年確認減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益表。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(j) Jointly controlled assets

Jointly controlled assets are held under a contractual arrangement whereby the Group and at least one other party undertake an economic activity which is subject to joint control and none of the parties involved unilaterally has control over the economic activity.

The Group's share of jointly controlled assets, and its share of any liabilities incurred in relation to the jointly controlled assets are recognised in the balance sheet and classified according to the nature of the relevant item. Income from the sale or use of the Group's share of the output of the jointly controlled assets, together with its share of any expenses incurred in relation to its interests in the jointly controlled assets, are recognised when it is probable that economic benefits associated with the transactions will flow to or from the Group, as applicable.

(k) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future.

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

2. 主要會計政策 (續)

(i) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他財務機構之通知存款，以及短期而易於套現且價值轉變風險甚低之投資，而該等投資可隨時兌換成可知數額之現金，且於購入時之到期期限不超過三個月者。就現金流量表而言，現金及等同現金項目亦包括即期償還及為本集團現金管理主要部份之銀行透支。

(j) 共同控制資產

共同控制資產乃根據合約安排持有，而本集團及不少於一位其他訂約方共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

本集團分佔共同控制資產及有關共同控制資產所產生之任何負債均於資產負債表確認，並根據有關項目性質分類。出售或使用本集團共同控制資產所得收益，連同本集團所佔共同控制資產權益所產生之任何開支，將視乎情況在有關交易使本集團有經濟利益流入或流出時確認。

(k) 遞延稅項

遞延稅項為收益及開支之會計與稅務處理之重大時差結果，而預期可於可見未來實現者則以負債法計算撥備。

未來的遞延稅項利益只會在合理保證可實現時才會確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Recognition of income

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated profit and loss account as follows:

- (i) Advertising and other advertising-related fees are recognised in the year in which the services are provided.
- (ii) Signage production and maintenance service fees are recognised in the year in which the services are provided.
- (iii) Management fee income is recognised in the year in which the services are provided.
- (iv) Interest income is accrued on a time apportioned basis on the principal outstanding and at the rate applicable.

2. 主要會計政策 (續)

(l) 撥備及或然負債

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列撥備。

倘若含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或然負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或然負債；但假如這類資源外流的可能性極低則除外。

(m) 收益確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在綜合損益表內確認：

- (i) 廣告及其他相關費用於提供服務之年度確認入賬。
- (ii) 廣告標誌製作費及保養服務費於提供服務之年度確認入賬。
- (iii) 管理費收入在提供服務之年度確認入賬。
- (iv) 利息收入按未償還本金及相關利率以時間比例計算。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Recognition of income (continued)

- (v) Government incentives are recognised when the right to receive such incentives is established and receipt thereof is probable.
- (vi) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(n) Translation of foreign currencies

The consolidated financial statements are prepared in Hong Kong dollars.

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the consolidated profit and loss account.

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relates to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(o) Operating leases

Rentals payable under operating leases are accounted for in the consolidated profit and loss account on a straight-line basis over the periods of the respective leases, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the consolidated profit and loss account as an integral part of the aggregate net lease payments payable.

2. 主要會計政策 (續)

(m) 收益確認 (續)

- (v) 政府獎勵津貼當確定具有收取之權利及可能收取時確認入賬。
- (vi) 來自非上市投資之股息收入在確定股東有權收取時確認入賬。

(n) 外幣換算

綜合財務報表以港元為單位。

年內進行之外幣交易按交易日期之匯率換算為港元。以外幣計算之貨幣資產與負債按結算日之匯率換算為港元。匯兌盈虧計入綜合損益表。

外資企業之業績按年內之平均匯率換算為港元，而資產負債表項目則按結算日之匯率換算為港元，因此出現之匯兌差額列作儲備變動。

出售外資企業而計算出售盈虧時，亦包括外資企業相關匯兌差額之累計數額。

(o) 經營租賃

根據經營租賃應付之租金以直線法按有關租期在綜合損益表入賬，惟以其他方式更能反映租賃資產所產生之利益模式則除外。租務優惠在綜合損益表確認，列入應付總租金淨額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Operating leases (continued)

Contingent rentals are charged to the consolidated profit and loss account in the accounting period in which they are incurred.

(p) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and central pension schemes operated by the local governments in the People's Republic of China ("PRC"), are recognised as an expense in the consolidated profit and loss account as incurred.
- (iii) When the Group grants to employees options to acquire shares in the Company at nominal consideration, no employee benefit cost or obligation is recognised at the date of grant. When such options are exercised, shareholders' equity is increased by the amount of the proceeds received.

(q) Borrowing costs

Borrowing costs are expensed in the consolidated profit and loss account in the year in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

2. 主要會計政策 (續)

(o) 經營租賃 (續)

或然租金於出現之會計期間在綜合損益表中扣除。

(p) 僱員福利

- (i) 本集團僱員所享有薪酬、年終花紅、有薪年假、假期旅遊津貼及本集團非貨幣福利之費用在任職之年度入賬。倘若付款或結算遞延而出現重大影響，則該等數額按現值列賬。
- (ii) 根據香港強制性公積金計劃條例作出之強制公積金供款及中華人民共和國(以下簡稱「中國」)所管理之中央退休金計劃之供款，於支出時在綜合損益表確認作開支。
- (iii) 當本集團以象徵式代價向僱員授予可認購本公司股份之購股權時，概無任何僱員福利成本或承擔於授予日期確認入賬。當行使該等購股權時，股東資金將按所得款項相應增加。

(q) 借貸成本

借貸成本在動用年度之綜合損益表中列作開支，惟與收購、建設或生產須經過一段時間方可投入既定用途或出售之資產直接有關之部份則撥作資本。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen geographical segment information as the primary reporting format and business segment information as the secondary reporting format for the purpose of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the relevant year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings from the ultimate holding company, corporate and financing expenses and minority interests.

2. 主要會計政策 (續)

(r) 關連人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士的財務及經營決策發揮重大的影響力，或另一方人士能夠直接或間接監控本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方人士均受制於共同的監控或共同的重大的影響下，有關人士即被視為本集團的關連人士。關連人士可以是個別人士或其他實體。

(s) 分類呈報

分類是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務(業務分類)，或在一個特定的經濟環境中提供產品或服務(地區分類)，並且承擔着不同於其他分部的風險和回報。

按照本集團的內部財務報告模式，本集團選擇以地區分類為報告分類信息的主要形式，而業務分類則是次要的分類報告形式。

分類收入、支出、經營成果、資產及負債包含直接歸屬某一分類，以及可按合理的基準分配至該分類的項目的數額。分類收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分類的集團企業之間的集團內部往來的餘額和交易則除外。分類之間的轉移事項定價按與其他外界人士相若的條款計算。

分類資本開支是指在期內購入預計可於超過一個會計期間使用的分類資產(包括有形和無形資產)所產生的成本總額。

未能分配至分類的項目主要包括財務及企業資產、帶息借款、借款、企業和融資支出及少數股東權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

3. TURNOVER

The principal activities of the Group comprise acting as an advertising agent and advertising licensor and licensee, providing consultancy services related to outdoor advertising, the production of advertisement signage and the provision of signage maintenance services.

Turnover represents income from advertising and other advertising-related services rendered to customers during the year, net of returns and discounts allowed, after eliminating intra-group transactions. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2002 \$'000 千元	2001 \$'000 千元
Advertising fees	廣告費	244,533	220,876
Signage production fees	廣告牌製作費	42,679	32,854
Signage maintenance fees	廣告牌維修費	3,592	5,246
		290,804	258,976

3. 營業額

本集團之主要業務包括作為廣告代理、廣告媒體出租及承租、提供有關戶外廣告之顧問服務、廣告牌製作及提供廣告牌維修服務。

營業額即年內向客戶提供廣告及其他相關服務所得收益扣除退貨及折扣之數額，並已撇銷集團內公司間之交易。本年度確認之各主要類別收入如下：

4. OTHER REVENUE AND OTHER NET INCOME

		2002 \$'000 千元	2001 \$'000 千元
Other revenue	其他收入		
Interest income from bank deposits	銀行存款利息收入	4,544	4,180
Interest income from amounts due from minority shareholders	應收少數股東款項利息收入	70	108
Management fee income from jointly controlled entities	來自共同控制實體之管理費收入	8,271	8,074
Training income from customers	來自客戶之培訓收入	440	437
Forfeited deposits from customers	沒收客戶按金	306	839
Compensation income (note a)	賠償收入(附註a)	1,146	-
PRC Government incentives (note b)	中國政府獎勵津貼(附註b)	2,000	7,131
Income from consultancy services	顧問服務收入	-	916
Sundry income	雜項收入	528	368
		17,305	22,053
Other net income	其他收益淨額		
Profit on sales of fixed assets	出售固定資產溢利	205	1,684

4. 其他收入及其他收益淨額

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

4. OTHER REVENUE AND OTHER NET INCOME (continued)

Notes:

(a) *Compensation income*

Compensation income represents agreed settlement from customers in respect of early termination of contracts.

(b) *PRC Government incentives*

Nanjing Media Partners International Public Transport Advertising Co., Ltd. ("NJMPI"), a non-wholly owned subsidiary of the Group is classified by the local PRC government as an approved "Technology and Development Entity". Accordingly, the subsidiary received incentives from a department of the local PRC government amounting to \$2,000,000 during the year ended 31 December 2002 (2001: \$6,196,000). For the year ended 31 December 2002 and the years ending 31 December 2003 and 2004, the subsidiary is entitled to incentives which are computed based on 50% of the aggregate foreign enterprise income tax ("FEIT") and business tax paid in the previous year subject to the retention of certain amounts by the local PRC government. For each of the years ending 31 December 2005, 2006 and 2007, the subsidiary will be entitled to incentives computed based on 50% of the FEIT paid in the previous year subject to the retention of certain amounts by the local PRC government. The incentives were received in cash during the year ended 31 December 2002.

The remaining balance of \$935,000 during the year ended 31 December 2001 represents other government incentives received by other subsidiaries in the PRC.

4. 其他收入及其他收益淨額 (續)

附註：

(a) *賠償收入*

賠償收入指就提早終止合約而與客戶協定之賠償金額。

(b) *中國政府獎勵津貼*

本集團之非全資附屬公司南京梅迪派勒公交廣告有限公司(以下簡稱「南京梅迪派勒」)獲當地中國政府列為認可之「技術及發展實體」，因此該附屬公司於截至二零零二年十二月三十一日止年度獲得中國地方政府提供2,000,000元(二零零一年：6,196,000元)之獎勵津貼。截至二零零二年十二月三十一日，二零零三年及二零零四年十二月三十一日止年度，該附屬公司可享有相等於上年度支付之外資企業所得稅(以下簡稱「外資所得稅」)與營業稅總和50%之獎勵津貼，惟中國地方政府可扣除若干金額。截至二零零五年、二零零六年及二零零七年十二月三十一日止各年，該附屬公司將可獲得相等於上年度已付外資所得稅50%之獎勵津貼，惟中國地方政府可扣除若干金額。已經收取截至二零零二年十二月三十一日止年度之現金獎勵津貼。

截至二零零一年十二月三十一日止年度之結餘935,000元，乃中國其他附屬公司所收取之其他政府獎勵津貼。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

5. (LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit from ordinary activities before taxation is arrived at after charging:

5. 經常業務除稅前(虧損)/溢利

經常業務除稅前(虧損)/溢利已扣除下列各項：

		2002 \$'000 千元	2001 \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank advances and other borrowings repayable within five years	須於五年內償還之銀行貸款及其他借貸的利息	9,066	7,304
Interest on Convertible Bond	可換股債券的利息	2,078	-
Other borrowing costs	其他借貸成本	149	67
		11,293	7,371
(b) Staff costs:	(b) 僱員成本：		
Contributions to defined contribution retirement schemes (note 29)	既定供款退休計劃之供款(附註29)	2,714	1,870
Salaries, wages and other benefits	薪金、工資及其他福利	30,977	24,354
		33,691	26,224
(c) Other items:	(c) 其他項目：		
Exchange loss	滙兌虧損	143	413
Auditors' remuneration	核數師酬金	765	583
Depreciation of fixed assets	固定資產折舊	5,541	4,286
Amortisation of advertising rights	媒體使用權攤銷	29,116	31,288
Amortisation of goodwill	商譽攤銷	186	-
Provision for bad debts	壞賬撥備	2,629	1,881
Provision for onerous contracts (note 27(b))	合約承擔虧損撥備(附註27(b))	12,626	-
Operating lease charges	經營租賃開支		
– properties	– 物業	4,497	3,242
– site rentals including contingent rentals of \$16.3 million (2001: \$4.6 million)	– 廣告位租金，包括或然租金16,300,000元(二零零一年：4,600,000元)	94,266	82,490

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

6. TAXATION

Taxation in the consolidated profit and loss account represents:

		2002 \$'000 千元	2001 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	-	123
Overprovision for Hong Kong Profits Tax in respect of prior years	往期香港利得稅 超額撥備	(70)	(11)
		(70)	112
PRC taxation	中國稅項	6,397	6,318
Deferred taxation (note 33)	遞延稅項(附註33)	(49)	49
Share of taxation of jointly controlled entities	分佔共同控制實體 稅項	5,956	5,181
Share of taxation of associates	分佔聯營公司稅項	330	656
		12,564	12,316

The provision for Hong Kong Profits Tax has been calculated separately at 16% (2001: 16%) of the estimated assessable profits for the year ended 31 December 2002 of each subsidiary and associate of the Group with operations subject to Hong Kong Profits Tax.

Taxation for subsidiaries and jointly controlled entities operating in the People's Republic of China ("the PRC") except noted hereinafter is calculated at 33% (2001: 33%) of the estimated assessable profits of these entities for the year ended 31 December 2002.

Pursuant to the relevant laws and regulations in the PRC, Chongqing MPI Public Transportation Advertising Co., Ltd. ("CQMPI"), a non-wholly owned subsidiary of the Group is entitled to a reduction in the applicable rate of PRC Foreign Enterprises Income Tax ("PRC FEIT") from 33% to 30% for two years commencing from its first profit-making year of operations (i.e. for the years ended 31 December 2001 and 2002) and, thereafter, it is entitled to a reduction in the applicable rate of PRC FEIT from 33% to 31.5% for the following three years, with effect from the year ending 31 December 2003.

6. 稅項

綜合損益表之稅項包括：

	2002 \$'000 千元	2001 \$'000 千元
香港利得稅撥備	-	123
往期香港利得稅 超額撥備	(70)	(11)
	(70)	112
中國稅項	6,397	6,318
遞延稅項(附註33)	(49)	49
分佔共同控制實體 稅項	5,956	5,181
分佔聯營公司稅項	330	656
	12,564	12,316

香港利得稅撥備乃根據業務須繳納香港利得稅之本集團各附屬公司及聯營公司於截至二零零二年十二月三十一日止年度之估計應課稅溢利按16%之稅率(二零零一年：16%)計算。

除下文附註所述者外，在中華人民共和國(以下簡稱「中國」)經營之附屬公司及共同控制實體之稅項以該等公司截至二零零二年十二月三十一日止年度之估計應課稅溢利按33%之稅率(二零零一年：33%)計算。

根據中國有關法例及規定，本集團之非全資附屬公司重慶媒體伯樂公交廣告有限公司(「以下簡稱「重慶媒體伯樂」)於首個經營獲利年度起計之兩年度(即截至二零零一年及二零零二年十二月三十一日止年度)之中國外資企業所得稅之適合稅率由33%減至30%，而其後由截至二零零三年十二月三十一日止年度起計三年之中國外資企業所得稅率則由33%減至31.5%。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 18.29 of the GEM Listing Rules is as follows:

		2002	2001
		\$'000	\$'000
		千元	千元
Fees	袍金	672	-
Basic salaries, housing and other allowances and benefits in kind	基本薪金、房屋及其他津貼與實物利益	2,070	2,076
Retirement scheme contributions	退休計劃供款	136	146
		2,878	2,222

The executive directors received emoluments of approximately \$202,000, \$202,000 and \$1,802,000 for the year ended 31 December 2002 and approximately \$Nil, \$Nil and \$2,222,000 for the year ended 31 December 2001.

Messrs George Ka Ki Chang and Tony Cheung Kin Au-Yeung waived their entitlement to fees of \$192,000 (US\$25,000) each from the Company during the year ended 31 December 2002 (2001: \$Nil).

During the year ended 31 December 2002, Directors' fees of \$576,000 and \$96,000 were paid or payable to independent non-executive and non-executive directors respectively (2001: \$Nil).

During the years ended 31 December 2001 and 2002, there were no amounts paid to former Directors in connection with their retirement from employment with the Group.

No amounts were paid or payable to Directors as an inducement to join or upon joining the Group.

7. 董事酬金

根據創業板上市規則第18.29條披露之董事酬金如下：

		2002	2001
		\$'000	\$'000
		千元	千元
Fees	袍金	672	-
Basic salaries, housing and other allowances and benefits in kind	基本薪金、房屋及其他津貼與實物利益	2,070	2,076
Retirement scheme contributions	退休計劃供款	136	146
		2,878	2,222

執行董事於截至二零零二年十二月三十一日止年度分別獲得酬金約202,000元、202,000元及1,802,000元，而截至二零零一年十二月三十一日止年度分別獲得酬金約零元、零元及2,222,000元。

張家騏先生及歐陽長健先生於截至二零零二年十二月三十一日止年度均各自放棄收取192,000元(25,000美元)之袍金(二零零一年：無)。

截至二零零二年十二月三十一日止年度，分別向獨立非執行董事及非執行董事支付或應付576,000元及96,000元之董事袍金(二零零一年：無)。

截至二零零一年及二零零二年十二月三十一日止年度，並無就前董事退任本集團職務而向彼等支付任何金額。

概無向董事支付或應付任何款項，作為彼等加入本集團之獎金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

7. DIRECTORS' REMUNERATION (continued)

The remuneration of the Directors is within the following bands:

Not more than \$1,000,000	不超過1,000,000元
\$1,000,001 – \$1,500,000	1,000,001元至1,500,000元
\$1,500,001 – \$2,000,000	1,500,001元至2,000,000元
\$2,000,001 – \$2,500,000	2,000,001元至2,500,000元

The above emoluments exclude the value of 8,538,000 share options granted to a Director under the Company's share option scheme as estimated at the date of grant. The theoretical value of these options granted to a Director amounted to \$2,151,000 which was calculated using the Black-Scholes option pricing model as at the date of the grant of the options. The details of these benefits in kind are disclosed under the paragraph headed "share option scheme" in the Directors' Report and note 35 to the financial statements.

7. 董事酬金 (續)

董事酬金介乎下列範圍：

2002 Number of directors 董事數目	2001 Number of directors 董事數目
6	2
–	–
1	–
–	1
7	3

上述酬金不包括一名董事根據本公司之購股權計劃獲授之8,538,000份購股權於授予當日估計之價值。以柏力克－舒爾斯購股權定價模式計算，該董事所獲授購股權於授出購股權當日之理論價值為2,151,000元。該等實物利益之詳情載於董事會報告「購股權計劃」一段及財務報表附註35。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

8. INDIVIDUALS WITH THE HIGHEST EMOLUMENTS

Set out below are analyses of the emoluments of those employees of the Group who, not being directors of the Company or its subsidiaries, were among the top five paid individuals (including directors and other employees of the Group) employed by the Group.

		2002	2001
		\$'000	\$'000
		千元	千元
Basic salaries, housing and other allowances and benefits in kind	基本薪金、房屋及其他津貼與實物利益	5,072	4,480
Discretionary bonuses	酌情花紅	150	–
Retirement scheme contributions	退休計劃供款	208	265
		5,430	4,745

An analysis of senior management's emoluments by number of employees and emolument ranges is as follows:

		2002	2001
		Number of individuals	Number of individuals
		僱員人數	僱員人數
Not more than \$1,000,000	不超過1,000,000元	–	–
\$1,000,001 – \$1,500,000	1,000,001元至1,500,000元	3	4
\$1,500,001 – \$2,000,000	1,500,001元至2,000,000元	1	–
		4	4

No amounts were paid or payable to senior management as an inducement to join the Group or as compensation for loss of office during the years ended 31 December 2001 and 2002.

8. 最高薪酬僱員

以下為本集團五位最高薪僱員(包括本集團董事及其他僱員)中並非本公司或附屬公司董事之僱員薪酬分析。

以僱員人數及酬金範圍分析高級管理人員酬金如下：

於截至二零零一年及二零零二年十二月三十一日止年度並無支付亦毋須支付任何款項予高級管理人員，作為彼等加入本集團之獎金或離職之補償。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

9. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated (loss)/profit attributable to shareholders includes a loss of \$5,606,000 (2001: \$113,000) which has been dealt with in the financial statements of the Company.

10. DIVIDENDS

The Company has not declared or paid any dividend for the year ended 31 December 2002 (2001: \$Nil).

11. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of \$29,941,000 (2001: profit of \$23,387,000) and the weighted average of 822,221,918 ordinary shares (2001: 640,000,000 ordinary shares) outstanding after the Group Reorganisation and Loan Capitalisation as if those shares had been outstanding from 1 January 2001.

(b) Diluted (loss)/earnings per share

No diluted (loss)/earnings per share for the years ended 31 December 2001 and 2002 has been presented, as there were no dilutive potential ordinary shares during these years.

12. CHANGES IN ACCOUNTING POLICIES

Translation of financial statements of foreign enterprises

In prior years, the results of foreign enterprises were translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. With effect from 1 January 2002, in order to comply with Statement of Standard Accounting Practice 11 (revised) issued by the Hong Kong Society of Accountants, the Group has translated the results of foreign enterprises at the average exchange rate for the year. The effect of this change in accounting policy is not material and, therefore, opening balances have not been restated.

9. 股東應佔(虧損)/溢利

股東應佔綜合(虧損)/溢利包括已在本公司財務報表入賬之虧損5,606,000元(二零零一年: 113,000元)。

10. 股息

本公司並無宣派或派付截至二零零二年十二月三十一日止年度之任何股息(二零零一年: 無)。

11. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃根據集團重組與貸款資本化後之股東應佔虧損29,941,000元(二零零一年: 溢利23,387,000元)及已發行普通股份之加權平均數822,221,918股(二零零一年: 640,000,000股普通股)計算, 並假設該等股份已於二零零一年一月一日發行。

(b) 每股攤薄(虧損)/盈利

由於截至二零零一年及二零零二年十二月三十一日止年度之普通股並無潛在股份攤薄效應, 故此並無呈列上述期間之每股攤薄(虧損)/盈利。

12. 更改會計政策

外資企業財務報表換算

於以往年度, 外資企業之業績按結算日之匯率換算為港元。由二零零二年一月一日起, 為符合香港會計師公會所發出之會計實務準則第11號(經修訂)之規定, 本集團按全年之平均匯率對外資企業業績進行換算。更改該項會計政策之影響並不重大, 因此並無重列承前結餘。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of the advertisements placed by customers and the location of the provision of advertising and related services rendered to customers is chosen as the reporting format because this is considered by management to be more relevant to the Group in making operating and financial decisions.

Geographical segments by the location of customers and by the location of assets

The Group's business can be subdivided into the Mainland China and Hong Kong markets.

The Group's geographical segments are classified according to the location of the advertisements placed by customers and the location of the provision of advertising and related services rendered to customers. No separate disclosure of the Group's geographical segments according to the location of assets has been made as there is no material difference between the Group's geographical segments classified by location of customers or by location of assets.

Business segments

No information has been disclosed in respect of the Group's business segments as the Group operates only one business segment which is the provision of advertising and related services.

13. 分類呈報

分類資料乃按本集團之地區分類而呈報。有關地區分類之資料基於客戶刊登廣告之地點及為客戶提供廣告及相關服務之地點作為分類準則，原因在於管理階層認為以上分類與本集團之經營及財務決策較為相關。

以客戶地點及資產地點作出地區分類

本集團之業務以中國內地及香港市場劃分。

本集團之地區分類乃根據客戶刊登廣告之地點及向客戶提供廣告及相關服務之地點而劃分。由於以客戶地點或資產地點劃分之本集團地區分類資料並無重大差異，故此並無另行披露本集團以資產地點劃分之分類資料。

業務分類

由於本集團僅經營提供廣告及相關服務一類業務，故此並無披露本集團之業務分類資料。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

13. SEGMENT REPORTING (continued)

13. 分類呈報 (續)

Year ended 31 December

截至十二月三十一日止年度

		Hong Kong		Mainland China		Inter-segment elimination*		Unallocated		Consolidated	
		香港	2001	中國內地	2001	不同分類交易撇銷	2001	不劃分	2001	綜合	2001
		2002	\$'000	2002	\$'000	2002	\$'000	2002	\$'000	2002	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Turnover	營業額	71,901	87,125	218,903	171,851	-	-	-	-	290,804	258,976
Other revenue	其他收入	1,479	1,002	14,227	21,051	-	-	1,599	-	17,305	22,053
Total revenue	總收入	73,380	88,127	233,130	192,902	-	-	1,599	-	308,109	281,029
Segment result and (loss)/profit from operations	分類業績及經營(虧損)/溢利	(37,449)	1,470	20,795	25,164	-	-	(4,175)	-	(20,829)	26,634
Finance costs	融資成本	(262)	(283)	(8,953)	(7,088)			(2,078)	-	(11,293)	(7,371)
Share of profits less losses of associates	分佔聯營公司溢利減虧損	2,276	5,046	-	-			-	-	2,276	5,046
Share of profits less losses of jointly controlled entities	分佔共同控制實體溢利減虧損	-	-	15,847	15,125			-	-	15,847	15,125
(Loss)/profit from ordinary activities before taxation	經常業務除稅前(虧損)/溢利	(35,435)	6,233	27,689	33,201			(6,253)	-	(13,999)	39,434
Taxation	稅項	(211)	(818)	(12,353)	(11,498)			-	-	(12,564)	(12,316)
(Loss)/profit from ordinary activities after taxation	經常業務除稅後(虧損)/溢利	(35,646)	5,415	15,336	21,703			(6,253)	-	(26,563)	27,118
Minority interests	少數股東權益	26	-	(3,404)	(3,731)			-	-	(3,378)	(3,731)
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利	(35,620)	5,415	11,932	17,972			(6,253)	-	(29,941)	23,387
Depreciation and amortisation	折舊及攤銷	1,265	1,086	33,578	34,488			-	-	34,843	35,574
Capital expenditure incurred during the year	年內資本開支	1,275	289	27,457	60,635			-	-	28,732	60,924
Provision for onerous contracts	合約承擔虧損撥備	12,626	-	-	-			-	-	12,626	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

13. SEGMENT REPORTING (continued)

13. 分類呈報 (續)

Year ended 31 December
截至十二月三十一日止年度

		Hong Kong		Mainland China		Inter-segment elimination*		Unallocated		Consolidated	
		香港	2001	中國內地	2001	不同分類交易撤銷	2001	不劃分	2001	綜合	2001
		2002	\$'000	2002	\$'000	2002	\$'000	2002	\$'000	2002	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Segment assets #	分類資產#	47,797	60,420	721,194	471,554	(30,823)	(31,828)	59,414	-	797,582	500,146
Interest in associates	聯營公司權益	2,786	4,760	-	-	-	-	-	-	2,786	4,760
Interest in jointly controlled entities	共同控制實體權益	-	-	61,595	60,115	-	-	-	-	61,595	60,115
Amounts due from a jointly controlled entity	應收共同控制實體款項	-	-	18,692	18,692	-	-	-	-	18,692	18,692
Total assets	資產總值									880,655	583,713
Segment liabilities #	分類負債#	(71,149)	(50,466)	(284,206)	(191,710)	30,823	31,828	(86,786)	(190,977)	(411,318)	(401,325)
Total liabilities	負債總額									(411,318)	(401,325)
Minority interests	少數股東權益	(219)	-	(20,114)	(22,438)	-	-	-	-	(20,333)	(22,438)

Segment assets and liabilities are before elimination of inter-segment balances.

分類資產及負債未撤銷不同分類交易之結餘。

* Inter-segment elimination of \$30,823,000 (2001: \$31,828,000) represents inter-segment current accounts.

* 不同分類交易撤銷之數額30,823,000元(二零零一年: 31,828,000元), 即不同分類之業務往來賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

14. FIXED ASSETS

The group

14. 固定資產

本集團

		Leasehold improvements	Advertising displays	Computer equipment	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃物業裝修	廣告顯示器	電腦設備	傢俬、固定 裝置及設備	汽車	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Cost:	成本：						
At 1 January 2002	於二零零二年 一月一日	2,759	16,732	4,122	2,626	1,899	28,138
Additions	添置	695	1,403	3,755	236	394	6,483
Disposals	出售	-	(781)	(51)	-	-	(832)
At 31 December 2002	於二零零二年 十二月 三十一日	3,454	17,354	7,826	2,862	2,293	33,789
Accumulated depreciation:	累計折舊：						
At 1 January 2002	於二零零二年 一月一日	1,978	7,862	1,988	1,461	690	13,979
Charge for the year	年內撥備	819	2,924	1,159	279	360	5,541
Written back on disposals	出售時撥回	-	(781)	(17)	-	-	(798)
At 31 December 2002	於二零零二年 十二月 三十一日	2,797	10,005	3,130	1,740	1,050	18,722
Net book value:	賬面淨值：						
At 31 December 2002	於二零零二年 十二月 三十一日	657	7,349	4,696	1,122	1,243	15,067
At 31 December 2001	於二零零一年 十二月 三十一日	781	8,870	2,134	1,165	1,209	14,159

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司之投資

		The company	
		本公司	
		2002	2001
		\$'000	\$'000
		千元	千元
Unlisted shares, at cost	未上市股份，成本	100	—
Loans to subsidiaries	向附屬公司提供之貸款	190,978	—
Amounts due from subsidiaries	應收附屬公司款項	154,718	—
Amounts due to subsidiaries	應付附屬公司款項	(5,048)	—
		340,748	—

The loans to subsidiaries and the amounts due from/(to) subsidiaries are non-current as these are not expected to be receivable/(payable) within the next twelve months.

All of these are controlled subsidiaries as defined under note 2(c) and have been consolidated into the financial statements.

由於預期向附屬公司提供之貸款及應收／(應付)附屬公司之款項不會於未來十二個月內收取／(支付)，故該等款項均為非即期。

根據附註2(c)之定義，下列所有附屬公司均為受控制附屬公司，並已綜合載入財務報表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES (continued)

15. 於附屬公司之投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立及 營業地點	Proportion of attributable equity interest held 所佔股權比例		Issued share capital/ registered capital 已發行股本／ 註冊資本	Principal activities 主要業務
		directly 直接	indirectly 間接		
Polyland Holdings Limited	British Virgin Islands 英屬處女群島	100%	–	US\$1 1美元	Investment holding 投資控股
Media Partners International Limited 梅迪派勒廣告有限公司	Hong Kong 香港	–	100%	\$647 647元	Outdoor advertising agent and investment holding 戶外廣告代理 及投資控股
Shanghai Media Partners International Ltd. (Note 1) 上海梅迪派勒廣告有限公司 (附註1)	People's Republic of China 中華人民 共和國	–	91.5%	US\$1,800,000 1,800,000美元	Advertising agent, advertising licensor and licensee, and advertising consultant 廣告代理、廣告 媒體出租及承租， 以及廣告顧問
Nanjing Media Partners International Public Transport Advertising Co., Ltd. (Note 2) 南京梅迪派勒公交廣告 有限公司(附註2)	People's Republic of China 中華人民 共和國	–	87.6%	RMB68,500,000 68,500,000人民幣	Advertising agent and advertising consultant 廣告代理及 廣告顧問
Chongqing MPI Public Transportation Advertising Co., Ltd. (Note 3) 重慶媒體伯樂公交廣告 有限公司(附註3)	People's Republic of China 中華人民 共和國	–	60%	US\$500,000 500,000美元	Advertising agent and advertising consultant 廣告代理及 廣告顧問

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES (continued)

15. 於附屬公司之投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立及 營業地點	Proportion of attributable equity interest held 所佔股權比例		Issued share capital/ registered capital 已發行股本／ 註冊資本	Principal activities 主要業務
		directly 直接	indirectly 間接		
Chengdu MPI Public Transport Advertising Co., Ltd. (Note 4) 成都媒體伯樂公交廣告 有限公司(附註4)	People's Republic of China 中華人民 共和國	—	50%	US\$500,000 500,000美元	Advertising agent and advertising consultant 廣告代理及 廣告顧問
Best Reward Venture Limited	British Virgin Islands 英屬處女群島	—	75%	US\$3,000 3,000美元	Advertising agent 廣告代理
Metrolink Investments Ltd.	British Virgin Islands 英屬處女群島	—	100%	US\$200 200美元	Investment holding 投資控股
Metro-ads International Limited 華智廣告國際有限公司	Hong Kong 香港	—	100%	\$500,000 500,000元	Investment holding 投資控股
Shanghai Metroads Advertising Company Limited 上海華智地鐵廣告有限公司	Hong Kong 香港	—	100%	\$2 2元	Dormant 暫無營業
Chalkwell Limited	British Virgin Islands 英屬處女群島	—	100%	US\$1 1美元	Investment holding 投資控股
Media Partners International (Hong Kong) Limited 香港媒體伙伴有限公司	Hong Kong 香港	—	100%	\$2 2元	Outdoor advertising agent 戶外廣告代理
Signmaker Company Limited	Hong Kong 香港	—	100%	\$2 2元	Signage production and maintenance 製作及維修廣告牌

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES (continued)

15. 於附屬公司之投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立及 營業地點	Proportion of attributable equity interest held 所佔股權比例		Issued share capital/ registered capital 已發行股本／ 註冊資本	Principal activities 主要業務
		directly 直接	indirectly 間接		
Intercontinental Outdoor Advertising (H.K.) Limited	Hong Kong 香港	—	100%	\$20 20元	Outdoor advertising agent 戶外廣告代理
Sports and Outdoor Media (HK) Limited	Hong Kong 香港	—	100%	\$2 2元	Dormant 暫無營業
Beron Limited	British Virgin Islands 英屬處女群島	—	100%	US\$1 1美元	Investment holding 投資控股
Media Partners International Group Limited	Hong Kong 香港	—	100%	\$2 2元	Investment holding 投資控股
Livebrand Networks Limited	Hong Kong 香港	—	51%	\$500,000 500,000元	Audio-visual equipment development and application 影音設備開發及應用
Mei Ti Bo Le Group Limited	Hong Kong 香港	—	100%	\$2 2元	Dormant 暫無營業
Media Partners International Production Limited 媒體伯樂製作有限公司	Hong Kong 香港	—	100%	\$2 2元	Dormant 暫無營業
Media Partners International Holdings Limited	Hong Kong 香港	100%	—	\$2 2元	Dormant 暫無營業

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (1) Shanghai Media Partners International Ltd. ("SHMPI") was established in the People's Republic of China on 28 December 1995 as a sino-foreign equity joint venture with a term of 15 years. In July 2000, SHMPI changed its legal structure from a sino-foreign equity joint venture to a sino-foreign co-operative joint venture.

On 11 November 2002, the Group submitted an application to the relevant PRC government authorities for approval of a proposed amendment to the Joint Venture Contract ("JV Contract") and Joint Venture Articles ("JV Articles") of SHMPI.

Pursuant to the proposed amendment to the JV Contract and the JV Articles, the registered capital of SHMPI would be increased by US\$13.5 million (approximately \$105,300,000) from US\$1.8 million (approximately \$14,040,000) to US\$15.3 million (approximately \$119,340,000) whilst the total investment in SHMPI would be increased by US\$43 million (approximately \$335,400,000) from US\$2.5 million (approximately \$19,500,000) to US\$45.5 million (approximately \$354,900,000). The proposed increased amount of US\$13.5 million (approximately \$105,300,000) in the registered capital of SHMPI would be contributed by Media Partners International Limited pursuant to the proposed amendment to the JV Contract and the JV Articles of SHMPI.

As at 31 December 2002, the application has not yet been approved.

- (2) Nanjing Media Partners International Public Transport Advertising Co., Ltd. ("NJMPI") was established in the People's Republic of China on 22 March 1999 as a sino-foreign co-operative joint venture with a term of 15 years. The Group is entitled to 80% of the profits of NJMPI for the first six years from 22 March 1999. Thereafter, the Group will be entitled to 50% of the profits of NJMPI.
- (3) Chongqing MPI Public Transportation Advertising Co., Ltd. ("CQMPI") was established in the People's Republic of China on 23 September 1999 as a sino-foreign co-operative joint venture with a term of 30 years. The Group is entitled to 80% of the profits of CQMPI for the first eleven years from 23 September 1999. Thereafter, the Group will be entitled to 60% of the profits of CQMPI.

15. 於附屬公司之投資 (續)

附註：

- (1) 上海梅迪派勒廣告有限公司(以下簡稱「上海梅迪派勒」)於一九九五年十二月二十八日在中華人民共和國成立為一家中外合資合營企業，年期為15年。於二零零零年七月，上海梅迪派勒改變其法定架構，由一家中外合資合營企業改為一家中外合作經營企業。

於二零零二年十一月十一日，本集團向中國政府有關當局遞交申請，徵求批准上海梅迪派勒之合營企業合約(以下簡稱「合營合約」)及合營企業細則(以下簡稱「合營細則」)之建議修訂。

根據建議對合營合約及合營細則之修訂，上海梅迪派勒之註冊資本將由1,800,000美元(約14,040,000元)增加13,500,000美元(約105,300,000元)至15,300,000美元(約119,340,000元)，而上海梅迪派勒之總投資額將由2,500,000美元(約19,500,000元)增加43,000,000美元(約335,400,000元)至45,500,000美元(約354,900,000元)。建議增加之上海梅迪派勒註冊資本13,500,000美元(約105,300,000元)將由梅迪派勒廣告有限公司根據建議修訂之上海梅迪派勒合營合約及合營細則出資。

於二零零二年十二月三十一日，申請尚未獲批。

- (2) 南京梅迪派勒公交廣告有限公司(以下簡稱「南京梅迪派勒」)於一九九九年三月二十二日在中華人民共和國成立為一家中外合作經營企業，年期為15年。於一九九九年三月二十二日起計首六年，本集團可分佔南京梅迪派勒之溢利80%。其後，本集團可分佔南京梅迪派勒之溢利50%。
- (3) 重慶媒體伯樂公交廣告有限公司(以下簡稱「重慶媒體伯樂」)於一九九九年九月二十三日在中華人民共和國成立為一家中外合作經營企業，年期為30年。於一九九九年九月二十三日起計首十一年，本集團可分佔重慶媒體伯樂之溢利80%。其後，本集團可分佔重慶媒體伯樂之溢利60%。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

15. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (4) Chengdu MPI Public Transport Advertising Co., Ltd was established in the People's Republic of China on 20 March 2002 as a sino-foreign co-operative joint venture with a term of 30 years.

15. 於附屬公司之投資 (續)

附註：

- (4) 成都媒體伯樂公交廣告有限公司於二零零二年三月二十日在中華人民共和國成立為一家中外合作經營企業，年期為30年。

16. INTEREST IN ASSOCIATES

16. 聯營公司權益

	The group 本集團	
	2002	2001
	\$'000	\$'000
	千元	千元
Share of net assets other than goodwill 分佔資產淨值(商譽除外)	2,786	4,760

Name of company 公司名稱	Place of incorporation and operation 註冊成立及 營業地點	Issued share capital 已發行股本	Attributable proportion of equity interest		Principal activities 主要業務
			directly 直接	indirectly 間接	
POAD Group Limited ("POAD")	Hong Kong 香港	\$1,000 1,000元	–	49%	Provision of advertising production and agency services 提供廣告製作 及代理服務

17. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

17. 於共同控制實體之投資

	The group 本集團	
	2002	2001
	\$'000	\$'000
	千元	千元
Share of net assets other than goodwill 分佔資產淨值(商譽除外)	61,595	60,115
Amounts due from a jointly controlled entity 應收共同控制實體款項	18,692	18,692
	80,287	78,807

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

17. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

Details of the group's interest in the jointly controlled entities are as follows:

Name of company	Form of business structure	Place of incorporation/ establishment and operation 註冊／成立及營業地點	Particulars of registered capital 註冊資本詳情	Group's share of profits or losses 本集團分佔溢利或虧損	Principal activities 主要業務
Guangzhou Yong Tong Metro Advertising Company Limited 廣州地鐵永通廣告有限公司	Co-operative joint venture 合作經營企業	People's Republic of China 中華人民共和國	RMB23,400,000 23,400,000 人民幣	# 32.5%	Outdoor advertising agent 戶外廣告代理
Shanghai Metro-ads Advertising Co., Ltd 上海華智地鐵廣告有限公司	Co-operative joint venture 合作經營企業	People's Republic of China 中華人民共和國	US\$2,100,000 2,100,000 美元	* 90%	Outdoor advertising agent 戶外廣告代理
Shanghai Zhongle Vehicle Painting Co. Ltd 上海中樂汽車油漆噴塗製作有限公司	Equity joint venture 合資經營企業	People's Republic of China 中華人民共和國	US\$300,000 300,000 美元	** 40%	Vehicle signage production 汽車廣告標誌製作

Held through a wholly-owned subsidiary which has contributed 100% of the registered capital.

The Group's interest in Guangzhou Yong Tong Metro Advertising Company Limited ("Guangzhou Metro JV") is held under a joint venture agreement dated 26 August 1999. The Group obtained the approval for the establishment of Guangzhou Metro JV on 9 March 2000. Throughout the joint venture period, the Group is entitled to share 32.5% of the financial results and net assets of Guangzhou Metro JV in accordance with the terms of the joint venture agreement. The joint venture is for a period of 10 years from 10 May 2000 to 10 May 2010.

* Held through a wholly-owned subsidiary which has contributed 100% of the registered capital.

17. 於共同控制實體之投資 (續)

本集團所擁有共同控制實體權益之詳情如下：

Name of company	Form of business structure	Place of incorporation/ establishment and operation 註冊／成立及營業地點	Particulars of registered capital 註冊資本詳情	Group's share of profits or losses 本集團分佔溢利或虧損	Principal activities 主要業務
Guangzhou Yong Tong Metro Advertising Company Limited 廣州地鐵永通廣告有限公司	Co-operative joint venture 合作經營企業	People's Republic of China 中華人民共和國	RMB23,400,000 23,400,000 人民幣	# 32.5%	Outdoor advertising agent 戶外廣告代理
Shanghai Metro-ads Advertising Co., Ltd 上海華智地鐵廣告有限公司	Co-operative joint venture 合作經營企業	People's Republic of China 中華人民共和國	US\$2,100,000 2,100,000 美元	* 90%	Outdoor advertising agent 戶外廣告代理
Shanghai Zhongle Vehicle Painting Co. Ltd 上海中樂汽車油漆噴塗製作有限公司	Equity joint venture 合資經營企業	People's Republic of China 中華人民共和國	US\$300,000 300,000 美元	** 40%	Vehicle signage production 汽車廣告標誌製作

透過全數注資註冊資本之全資附屬公司持有。

本集團乃根據於一九九九年八月二十六日訂立之合營企業協議持有廣州地鐵永通廣告有限公司(以下簡稱「廣州永通」)之股權。本集團已於二零零零年三月九日獲准成立廣州永通。於合營期間，本集團可根據合營企業協議之條款分佔廣州永通之32.5%財務業績及資產淨值。合營期由二零零零年五月十日起至二零一零年五月十日止，為期10年。

* 透過全數注資註冊資本之全資附屬公司持有。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

17. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

Shanghai Metro-ads Advertising Co., Ltd. ("Shanghai Metro JV") was established by a subsidiary of the Group and Shanghai Metro-Advertising Co., Ltd. under a joint venture agreement dated 2 July 1993. Throughout the joint venture period, 3% and 22% of the total net sales of Shanghai Metro JV are to be paid to Shanghai Metro-Advertising Co., Ltd. and Shanghai Metro Operation Co., Ltd., an entity related to Shanghai Metro-Advertising Co., Ltd., respectively, as a guaranteed return. The profit or loss after taxation of Shanghai Metro JV, after payment of the guaranteed return, is shared by the subsidiary of the Group and Shanghai Metro-Advertising Co., Ltd. in the ratio of 90:10, respectively. The joint venture is for a period of 18 years from 7 December 1993 to 6 December 2011.

Notwithstanding the contribution of 100% of the registered capital and the profit sharing arrangements of Shanghai Metro JV, the Group accounts for this investment as a jointly controlled entity as it only has joint control of the board of directors.

** Held through a wholly-owned subsidiary which has contributed 40% of the registered capital.

Shanghai Zhongle Vehicle Painting Co. Ltd ("Shanghai Production JV") was established by a subsidiary of the Group and 上海德天汽車油漆噴塗有限公司 under a joint venture agreement in 2002. The Group obtained the approval for the establishment of Shanghai Production JV on 28 September 2002. Throughout the joint venture period, the Group is entitled to share 40% of the financial results and net assets of Shanghai Production JV in accordance with the terms of the joint venture agreement. The joint venture is for a period of 15 years from 28 September 2002 to 27 September 2017.

Amounts due from a jointly controlled entity of \$18,692,000 are non-interest bearing, unsecured and have no fixed terms of repayment. These amounts represent part of the total cost of purchase of a property in Guangzhou and may not be settled before 31 December 2003 (see note 38 for further details).

The following supplementary financial information is disclosed relating to the Group's jointly controlled entities, Guangzhou Metro JV and Shanghai Metro JV, which is based on their financial statements.

17. 於共同控制實體之投資 (續)

上海華智地鐵廣告有限公司(以下簡稱「上海華智」)乃根據於一九九三年七月二日訂立之合營企業協議由本集團一間附屬公司及上海地鐵廣告公司共同成立。於合營期間，上海地鐵廣告公司及其關連公司上海地鐵運營有限公司將分別獲支付上海華智銷售淨額之3%及22%，作為保證回報。上海華智之除稅後溢利或虧損於支付保證回報後，將由本集團之附屬公司及上海地鐵廣告公司按90:10之比例攤分。合營期由一九九三年十二月七日起至二零一一年十二月六日止，為期18年。

儘管全數注資註冊資本，而且有上海華智之溢利分配安排，但由於本集團僅對董事會有共同控制權，故將該項投資列為共同控制實體入賬。

** 透過出資40%註冊資本之全資附屬公司持有。

上海中樂汽車油漆噴塗製作有限公司(以下簡稱「上海製作合營企業」)乃根據於二零零二年訂立之合營企業協議由本集團一間附屬公司及上海德天汽車油漆噴塗有限公司共同成立。本集團已於二零零二年九月二十八日獲批准成立上海製作合營企業。於合營期間，本集團可根據合營企業協議之條款分佔上海製作合營企業之40%財務業績及資產淨值。合營期由二零零二年九月二十八日起至二零一七年九月二十七日止，為期15年。

應收共同控制實體之款項18,692,000元為免息及無抵押，且無固定還款期。該等款項為購買廣州物業之部份總成本，未必會於二零零三年十二月三十一日前支付(其他詳情見附註38)。

以下有關本集團共同控制實體廣州永通及上海華智之補充財務資料，乃根據該等公司之財務報表而編撰。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

17. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(continued)

Guangzhou Metro JV

Results for the years ended 31 December 2002 and 2001

		2002 \$'000 千元	2001 \$'000 千元
Turnover	營業額	47,412	37,490
Loss from ordinary activities before taxation	經常業務 除稅前虧損	(9,375)	(4,960)
Taxation	稅項	-	-
Loss for the year	本年度虧損	(9,375)	(4,960)

Assets and liabilities as at 31 December 2002 and 2001

		2002 \$'000 千元	2001 \$'000 千元
Non-current assets	非流動資產	20,706	21,787
Current assets	流動資產	6,401	15,674
Current liabilities	流動負債	(5,705)	(6,684)
		21,402	30,777

17. 於共同控制實體之投資 (續)

廣州永通

截至二零零二年及二零零一年十二月三十一日止年度之業績

於二零零二年及二零零一年十二月三十一日之資產及負債

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

17. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(continued)

Shanghai Metro JV

Results for the years ended 31 December 2002 and 2001

		2002 \$'000 千元	2001 \$'000 千元
Turnover	營業額	70,101	65,677
Profit from ordinary activities before taxation	經常業務 除稅前溢利	21,082	18,920
Taxation	稅項	(6,618)	(5,757)
Profit for the year	本年度溢利	14,464	13,163

Assets and liabilities as at 31 December 2002 and 2001

		2002 \$'000 千元	2001 \$'000 千元
Non-current assets	非流動資產	9,521	14,783
Current assets	流動資產	39,390	29,287
Current liabilities	流動負債	(21,130)	(20,367)
		27,781	23,703

17. 於共同控制實體之投資 (續)

上海華智

截至二零零二年及二零零一年十二月三十一日止年度之業績

於二零零二年及二零零一年十二月三十一日之資產及負債

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

18. ADVERTISING RIGHTS

18. 媒體使用權

		The group 本集團 \$'000 千元
Cost:	成本：	
At 1 January 2002	於二零零二年一月一日	371,417
Additions	添置	22,249
		<hr/>
At 31 December 2002	於二零零二年十二月三十一日	393,666
		<hr/>
Accumulated amortisation:	累計折舊：	
At 1 January 2002	於二零零二年一月一日	110,621
Charge for the year	本年度撥備	29,116
		<hr/>
At 31 December 2002	於二零零二年十二月三十一日	139,737
		<hr/>
Net book value:	賬面淨值：	
At 31 December 2002	於二零零二年十二月三十一日	253,929
		<hr/>
At 31 December 2001	於二零零一年十二月三十一日	260,796
		<hr/>

Pursuant to agreements signed between certain subsidiaries of the Group and various companies in the PRC, the Group has acquired exclusive advertising rights to certain bus routes, billboards and street furniture in major cities in the PRC. The cost of advertising rights represents fees paid to secure exclusive advertising rights over fixed periods of time which normally range from 5 to 20 years.

The amortisation charge for the year is included in “(loss)/profit from operations” in the consolidated profit and loss account.

根據本集團若干附屬公司與多間中國內地公司簽訂之協議，本集團收購中國主要城市若干巴士路線、廣告標誌及街道設施之獨家的媒體使用權。媒體使用權之成本指本集團所獲得於一段固定期間（一般介乎5至20年不等）內之獨家的媒體使用權之費用。

年內攤銷撥備列入綜合損益表中「經營（虧損）／溢利」項目內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

19. GOODWILL

19. 商譽

		The group
		本集團
		\$'000
		千港元
At 1 January 2002	於二零零二年一月一日	—
Addition through increase in interest in a subsidiary	透過增持一間附屬公司權益之增值	3,059
Amortisation	攤銷	(186)
		<hr/>
At 31 December 2002	於二零零二年十二月三十一日	2,873
		<hr/>

Addition of goodwill during the year under review related to the acquisition of the remaining 5% interest in Metrolink from the minority shareholders for a consideration of \$3,500,000. The acquisition resulted in an increase of the Group's equity holding in Metrolink from 95% to 100%. The transaction was completed on 17 June 2002.

Goodwill is amortised on a straight-line basis over a period of 9.5 years. The amortisation charge for the year is included in "(loss)/profit from operations" in the consolidated profit and loss account.

於回顧年內之商譽增值乃按3,500,000元代價向少數股東收購Metrolink餘下5%權益而獲得。收購後，本集團於Metrolink之股權由95%增至100%。交易已於二零零二年六月十七日完成。

商譽於九年半之期間以直線法攤銷。年內攤銷撥備列入綜合損益表中「經營(虧損)/溢利」項目內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

20. ACCOUNTS RECEIVABLE, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

20. 應收賬款、其他應收賬款、按金及預付款項

		The group 本集團		The company 本公司	
		2002 \$'000 千元	2001 \$'000 千元	2002 \$'000 千元	2001 \$'000 千元
Accounts receivable	應收賬款	46,475	42,896	–	–
		The group 本集團		The company 本公司	
		2002 \$'000 千元	2001 \$'000 千元	2002 \$'000 千元	2001 \$'000 千元
Other receivables	其他應收賬款	12,149	11,102	62	–
Deposits for the acquisition of advertising rights	收購媒體使用權之按金	34,579	186	–	–
Utility and rental deposits	公用服務及租賃按金	52,925	31,812	–	–
Amounts due from joint venture partners	應收合營企業夥伴款項	2,910	907	–	–
Others	其他	5,417	6,273	–	3,187
		107,980	50,280	62	3,187

The amount of other receivables, deposits, and prepayments expected to be recovered after more than one year is \$14,639,000 (2001: \$7,739,000). All of the other receivables, deposits and prepayments are expected to be recovered within one year.

預期於一年後收回之其他應收賬款、按金及預付款項為14,639,000元(二零零一年：7,739,000元)。預期所有其他應收款項、按金及預付款項將於一年內收回。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

20. ACCOUNTS RECEIVABLE, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

An ageing analysis of accounts receivable at the year end is as follows:

		The group 本集團	
		2002	2001
		\$'000	\$'000
		千元	千元
Current	即期	15,968	14,554
1 to 3 months overdue	逾期一至三個月	16,164	13,976
More than 3 months overdue	逾期三個月以上	14,343	14,366
		46,475	42,896

Debts are due within 30 days from the date of billing.

債項自發票日期起計30日內到期。

21. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

The amounts due from jointly controlled entities are interest free, unsecured and repayable on demand.

21. 應收共同控制實體款項

應收共同控制實體款項均為免息及無抵押，並須於要求時償還。

22. AMOUNTS DUE FROM MINORITY SHAREHOLDERS

The amounts due from minority shareholders are non-interest bearing, unsecured and repayable on demand except for amounts of \$2,674,000 (2001: \$4,558,000) which are interest bearing at a rate of 2% per annum.

22. 應收少數股東款項

應收少數股東款項均為免息及無抵押，並須於要求時償還，惟其中2,674,000元(二零零一年：4,558,000元)之款項則按年利率2厘計算利息。

All amounts due from minority shareholders are expected to be recoverable within one year.

預期所有應收少數股東款項將於一年內收取。

23. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

The amounts due from/(to) related companies are interest free, unsecured and repayable on demand.

23. 應收／(應付) 關連公司款項

應收／(應付) 關連公司款項均為免息及無抵押，並須於要求時償還。

24. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits placed with banks as security for banking facilities made available to the Group (note 26).

24. 已抵押銀行存款

已抵押銀行存款指作為本集團用作擔保銀行信貸之銀行存款(附註26)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

25. CASH AND CASH EQUIVALENTS

25. 現金及等同現金項目

		本集團		本公司	
		2002	2001	2002	2001
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Deposits with banks and other financial institutions	銀行及其他 財務機構存款	117,890	3,069	56,809	—
Cash at bank and in hand	銀行及手頭現金	43,519	42,188	2,537	1
Cash and cash equivalents in the balance sheet (note (a))	資產負債表之 現金及等同 現金項目(註(a))	161,409	45,257	59,346	1

Notes:

- (a) In July 2002, a subsidiary of the Group entered into an agreement with Beijing Urban Transit Railway Co., Ltd (“Beijing Light Rail”) to secure the exclusive rights to operate and market the advertising media within the Beijing Light Rail System for a term of 18 years commencing from January 2003. A subsidiary of the Group has agreed to place aggregate cash equivalents of \$74,766,000 (RMB80,000,000) into a jointly controlled bank account for the construction of advertising media facilities within the Beijing Light Rail System.

As at 31 December 2002, the Group had utilised \$15,054,000 in connection with the construction of advertising media. The remaining cash held by the Group under a jointly controlled bank account of \$59,712,000 is included in cash and cash equivalents of the Group at 31 December 2002.

- (b) Cash and cash equivalents include \$79,054,000 (2001: \$16,468,000) which is denominated in Renminbi (“RMB”) in the amount of RMB84,588,000 (2001: RMB17,621,000). RMB is not freely convertible into foreign currencies. In accordance with the PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, in certain circumstances the Group is permitted to exchange RMB for foreign currencies through banks authorised to conduct foreign exchange business.

註：

- (a) 於二零零二年七月，本集團一間附屬公司與北京城市鐵路股份有限公司(以下簡稱「北京城鐵」)訂立協議，取得北京城鐵系統廣告媒體之獨家經營及推廣權，自二零零三年一月起計，為期18年。本集團之附屬公司同意將總值74,766,000元(80,000,000人民幣)之等同現金項目存入聯名銀行賬戶，作為在北京城鐵系統建設廣告媒體設施之用。

截至二零零二年十二月三十一日，本集團已就廣告媒體建設動用15,054,000元。本集團在共同控制銀行賬戶所持之現金餘額59,712,000元已計入本集團於二零零二年十二月三十一日之現金及等同現金項目。

- (b) 現金及等同現金項目包括79,054,000元(二零零一年：16,468,000元)之金額，而該金額原以人民幣計算，相等於84,588,000人民幣(二零零一年：17,621,000人民幣)。人民幣不得自由兌換為外幣。根據中國外匯管理條例及結匯、付匯及售匯管理規定，在若干情況下，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. BANK LOANS

26. 銀行貸款

		The group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
Bank loans	銀行貸款		
– unsecured	– 無抵押	7,010	9,346
– secured	– 有抵押	225,143	126,962
		232,153	136,308

The banking facilities of certain subsidiaries are secured by deposits of \$196,446,000 (2001: \$77,588,000) placed with banks at 31 December 2002. Such banking facilities, amounting to \$509,252,000 (2001: \$282,150,000), were utilised in respect of bank loans and bank guarantees to the extent of \$232,153,000 (2001: \$136,308,000) and \$4,703,000 (2001: \$7,333,000) respectively.

The secured bank loans of \$225,143,000 (2001: \$126,962,000) are secured by term deposits of \$194,094,000 (2001: \$73,921,000) pledged with banks and guarantees granted by the Company.

All the bank loans are repayable within one year or on demand.

若干附屬公司之銀行信貸以二零零二年十二月三十一日之銀行存款196,446,000元(二零零一年: 77,588,000元)作為抵押。上述銀行信貸509,252,000元(二零零一年: 282,150,000元)其中232,153,000元(二零零一年: 136,308,000元)及4,703,000元(二零零一年: 7,333,000元)已分別用作銀行貸款及銀行擔保。

有抵押銀行貸款225,143,000元(二零零一年: 126,962,000元)均以按予銀行之定期存款194,094,000元(二零零一年: 73,921,000元)及本公司所提供之擔保作為抵押。

所有銀行貸款均須於一年內或於要求時償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

27. ACCOUNTS PAYABLE, OTHER PAYABLES, DEPOSITS AND PROVISIONS

27. 應付賬款、其他應付賬款、按金及撥備

		The group 本集團		The company 本公司	
		2002 \$'000 千元	2001 \$'000 千元	2002 \$'000 千元	2001 \$'000 千元
Accounts payable	應付賬款	22,507	22,513	-	-
		The group 本集團		The company 本公司	
		2002 \$'000 千元	2001 \$'000 千元	2002 \$'000 千元	2001 \$'000 千元
Other payables	其他應付款項	6,633	6,418	-	-
Deferred revenue	遞延收入	4,502	3,098	-	-
Deposits received in advance	預收按金	17,452	20,572	-	-
Accrued expenses	應計費用	16,428	13,270	1,786	101
Provision for onerous contracts (note 27(b))	合約承擔虧損 撥備(附註27(b))	12,626	-	-	-
		57,641	43,358	1,786	101

Deferred revenue represents the amounts received at 31 December 2002 before the related work was performed.

遞延收入指於二零零二年十二月三十一日進行有關工作前已收取之款項。

Deposits received in advance represent advertising site rental deposits received from advertisers and advances from customers.

預收按金指已收取廣告商之廣告位按金及客戶之預付款項。

The amount of other payables and accrued expenses expected to be settled after more than one year is \$1,613,000 (2001: \$2,554,000).

預期將於一年後償還之其他應付賬款及應計費用為1,613,000元(二零零一年：2,554,000元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

27. ACCOUNTS PAYABLE, OTHER PAYABLES, DEPOSITS AND PROVISIONS (continued)

- (a) Included in accounts payable, other payables, deposits and accruals are accounts payable with the following ageing analysis:

		The group 本集團	
		2002	2001
		\$'000	\$'000
		千元	千元
Due within 1 month or on demand	一個月內或於要求時到期	6,211	9,349
Due after 1 month but within 3 months	一至三個月內到期	5,364	6,826
Due after 3 months	三個月後到期	10,932	6,338
		22,507	22,513

(b) Provision for onerous contracts

		The group 本集團	
		2002	2001
		\$'000	\$'000
		千元	千元
Balance at 1 January	於一月一日之結餘	—	—
Provision made during the year	本年度撥備	12,626	—
Balance at 31 December	於十二月三十一日之結餘	12,626	—

27. 應付賬款、其他應付賬款、按金及撥備 (續)

- (a) 計入應付賬款、其他應付賬款、按金及應計費用之應付賬款賬齡分析如下：

(b) 合約承擔虧損撥備

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

27. ACCOUNTS PAYABLE, OTHER PAYABLES, DEPOSITS AND PROVISIONS (continued)

(b) Provision for onerous contracts (continued)

At 31 December 2002, the Directors consider that certain of the Group's advertising contracts in Hong Kong have become onerous when taking into consideration the market demand for the advertising space in respect of these contracts, the anticipated future income from these contracts and the general economic climate in Hong Kong. Accordingly, a provision for onerous contracts in the amount of \$12,626,000 has been made based on the excess of the least net loss of terminating these contracts over the expected economic benefits to be derived therefrom in accordance with Statement of Standard Accounting Practice No. 28 "Provisions, contingent liabilities and contingent assets".

28. AMOUNTS DUE TO JOINTLY CONTROLLED ENTITIES

The amounts due to jointly controlled entities are unsecured, interest free and repayable on demand.

27. 應付賬款、其他應付賬款、按金及撥備 (續)

(b) 合約承擔虧損撥備 (續)

於二零零二年十二月三十一日，經考慮本集團若干香港廣告合約之廣告位市場需求、預計該等合約日後收益及香港整體經濟狀況後，董事認為該等合約承擔大於收益。因此，根據會計實務準則第28號「撥備、或然負債及或然資產」規定，按終止該等合約之最低虧損淨額超逾預期有關經濟利益之差額作出合約承擔虧損撥備12,626,000元。

28. 應付共同控制實體款項

應付共同控制實體款項均為免息及無抵押，並須於要求時償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

29. EMPLOYEE RETIREMENT BENEFITS

Set out below are certain particulars of defined contribution retirement schemes operated by the Group.

(a) Nature of the schemes

The Group participates in Mandatory Provident Fund ("MPF") schemes operated by an approved MPF trustee. All employees of the Group's subsidiaries in Hong Kong make monthly contributions to the MPF schemes at 5% of the employees' monthly salaries and the Group makes monthly contributions to the MPF schemes at 5% to 10% of the employees' monthly salaries. The Group's mandatory contributions which comply with the minimum requirements of the Mandatory Provident Fund Schemes Ordinance will be fully and immediately vested in the employees' accounts as their accrued benefits in the schemes. In respect of the Group's voluntary contributions to the MPF schemes for the employees, the employees are entitled to receive 100% of the Group's contributions and accrued interest thereon upon retirement or upon leaving the Group after completion ten years of service, or at a reduced scale of between 10% to 90% after completing one to nine years of services.

The employees of the Group's subsidiaries in the PRC, are members of central pension schemes operated by the local governments in the PRC and these subsidiaries make mandatory contributions to these central pension schemes to fund the employees' retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on certain percentages of the employees' salaries cost in accordance with the relevant regulations in the PRC, which range from 9% to 22% (2001: 7% to 22%), and are charged to the consolidated profit and loss account as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the central pension schemes operated by the local governments in the PRC.

29. 僱員退休福利

以下為本集團所安排定額供款退休計劃之若干詳情。

(a) 計劃之性質

本集團已參加由認可強制性公積金(以下簡稱「強積金」)受託人管理之強積金計劃。本集團香港附屬公司之所有僱員每月須按月薪5%向強積金計劃作出供款，而本集團亦須每月按僱員月薪5%至10%向強積金計劃作出供款。本集團之強制性公積金供款符合強制性公積金計劃條例之下限規定，該等強制供款將即時全數撥入僱員賬戶，作為彼等根據計劃之應得利益。至於本集團為僱員向強積金計劃作出之自願供款，僱員於退休或服務滿十年後離開本集團時亦可獲得本集團全部自願供款及累計利息，而服務滿一年至九年則按比例可獲僱主供款及累計利息10%至90%不等。

本集團中國附屬公司之僱員已參加由中國地方政府管理之中央退休計劃，而該等附屬公司須向中央退休計劃作出強制供款，以支付僱員之退休福利。中國附屬公司所支付之退休供款乃根據中國有關規定按僱員薪金成本指定百分比計算，介乎9%至22%（二零零一年：7%至22%）不等，當動用時在綜合損益表扣除。向中國地方政府管理之中央退休計劃供款後，本集團即獲免除有關退休福利之責任。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Retirement benefit costs for the year were as follows:

		2002 \$'000 千元	2001 \$'000 千元
Retirement contributions payable to retirement schemes	應支付退休計劃之退休供款	2,840	1,870
Forfeited contributions refunded to the Group	退還本集團之沒收供款	(126)	-
Total net contributions payable to retirement schemes	應支付退休計劃之供款合計淨額	2,714	1,870

At 31 December 2002, there were no forfeited contributions (2001: \$Nil), which arose upon employees leaving the retirement schemes up to 31 December 2002, available to reduce the contributions payable by the Group in future periods.

29. 僱員退休福利 (續)

(b) 本年度之退休福利成本如下：

		2002 \$'000 千元	2001 \$'000 千元
Retirement contributions payable to retirement schemes	應支付退休計劃之退休供款	2,840	1,870
Forfeited contributions refunded to the Group	退還本集團之沒收供款	(126)	-
Total net contributions payable to retirement schemes	應支付退休計劃之供款合計淨額	2,714	1,870

於二零零二年十二月三十一日，並無由於僱員退出退休計劃而截至二零零二年十二月三十一日所沒收供款可用作減少本集團日後之供款(二零零一年：無)。

30. TAXATION

Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	-	123
PRC tax payable	應付中國稅項	634	1,672
Provisional Profits Tax paid	已付暫繳稅項	-	(481)
Tax payable relating to prior years	有關過往年度之應付稅項	634 (31)	1,314 196
Taxation payable	應付稅項	603	1,510

30. 稅項

		The group 本集團 2002 \$'000 千元	2001 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	-	123
PRC tax payable	應付中國稅項	634	1,672
Provisional Profits Tax paid	已付暫繳稅項	-	(481)
Tax payable relating to prior years	有關過往年度之應付稅項	634 (31)	1,314 196
Taxation payable	應付稅項	603	1,510

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

31. LOANS FROM A FELLOW SUBSIDIARY AND ULTIMATE HOLDING COMPANY

Loans from a fellow subsidiary	來自同系附屬公司之貸款
Loans from ultimate holding company	來自最終控股公司之貸款

The fellow subsidiary agreed to waive the interest arising on the loans, in view of the continued expansion of the business of the Group, until 9 January 2002 when all these loans were assigned to the ultimate holding company as explained below.

Pursuant to a deed dated 9 January 2002, all the outstanding loans from the fellow subsidiary which totalled \$180,529,859 were assigned to the ultimate holding company as part of the Reorganisation. On 9 January 2002, the Company entered into an agreement with MSCV, the ultimate holding company such that, prior to the placing of shares of the Company on GEM, an amount of \$105,978,176 representing unsecured loans due to the ultimate holding company was capitalised. The remaining unsecured loans due to the ultimate holding company of \$85,000,000 were satisfied by the issue of the Convertible Bond (note 32).

32. CONVERTIBLE BOND

Convertible Bond (note 31)	可換股債券(附註31)
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31. 來自同系附屬公司及最終控股公司貸款

The group		本集團	
2002	2001	2002	2001
\$'000	\$'000	千元	千元
–	180,530	–	180,530
–	10,447	–	10,447
–	190,977	–	190,977

由於本集團之業務不斷拓展，故此同系附屬公司同意放棄收取上述貸款之利息，直至二零零二年一月九日該等貸款轉讓予下述最終控股公司為止。

根據重組，所有未償還之同系附屬公司貸款180,529,859元均已按二零零二年一月九日訂立之契據轉讓予最終控股公司。於二零零二年一月九日，本公司與最終控股公司MSCV訂立協議，於本公司在創業板配售股份前，將應付最終控股公司之無抵押貸款105,978,176元撥充資本。其餘應付最終控股公司之無抵押貸款85,000,000元則以發行可換股債券(附註32)之方式償還。

32. 可換股債券

The group and the company		本集團及本公司	
2002	2001	2002	2001
\$'000	\$'000	千元	千元
85,000	–	85,000	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

32. CONVERTIBLE BOND (continued)

The term of the Convertible Bond is for the period from 9 January 2002 to 31 December 2004. Interest is payable at the rate of 2.5% per annum, semi-annually in arrears.

The holders of the Convertible Bond have, subject to certain conditions, the right at any time following the expiry of six months from 31 January 2002 (i.e. 31 July 2002) to convert part or all of the Convertible Bond into shares of the Company at a price equivalent to 110% of the Issue Price of \$1.10 per share.

Unless previously repurchased, cancelled, redeemed or converted, the Convertible Bond will be redeemed at its principal amount together with any accrued interest on maturity.

33. DEFERRED TAXATION

(a) Movements on deferred taxation comprise:

		The group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
Balance at 1 January	於一月一日之結餘	49	-
Transfer (from)/to the consolidated profit and loss account (note 6)	轉撥(自)/往綜合損益表(附註6)	(49)	49
Balance at 31 December	於十二月三十一日之結餘	-	49

32. 可換股債券 (續)

可換股債券之年期由二零零二年一月九日至二零零四年十二月三十一日，利息按年率2.5厘計算，每半年支付前期利息。

在符合若干條件下，可換股債券持有人可於二零零二年一月三十一日起計六個月後(即二零零二年七月三十一日後)隨時將全部或部份可換股債券兌換為本公司股份，兌換價為每股發行價1.10元之110%。

除非先前已購回、註銷、贖回或兌換，否則可換股債券將於到期按本金加任何應計利息贖回。

33. 遞延稅項

(a) 遞延稅項變動包括：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

33. DEFERRED TAXATION (continued)

(b) Major components of deferred taxation of the Group are set out below:

		2002		2001	
		Provided	Potential liabilities/ (assets) unprovided	Provided	Potential liabilities/ (assets) unprovided
		已撥備 \$'000 千元	未撥備 潛在負債 /(資產) \$'000 千元	已撥備 \$'000 千元	未撥備 潛在負債 /(資產) \$'000 千元
Future benefit of tax losses	日後稅務虧損之利益	-	(10,012)	-	(4,325)
Depreciation allowances in excess of the related depreciation	折舊免稅額超出相關折舊之數額	-	98	49	-
		-	(9,914)	49	(4,325)

The net unprovided deferred taxation assets have not been accounted for by the Group as their future realisation is uncertain.

At 31 December 2002, the Company has no material unprovided deferred taxation.

33. 遞延稅項 (續)

(b) 本集團遞延稅項主要包括下列各項：

由於未撥備遞延稅項資產淨額日後之變現機會並不明朗，故此並無將其入賬。

於二零零二年十二月三十一日，本公司並無任何重大未撥備遞延稅項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

34. MINORITY INTERESTS

		The group 本集團	
		2002	2001
		\$'000	\$'000
		千元	千元
Amounts due to minority shareholders	應付少數股東款項	5,331	8,773
Minority shareholders' share of net assets	少數股東應佔資產淨值	15,002	13,665
		20,333	22,438

The amounts due to minority shareholders are unsecured, interest free and are not expected to be settled before 31 December 2003.

應付少數股東款項均為免息及無抵押，並預期不會於二零零三年十二月三十一日前償還。

35. SHARE CAPITAL

The following is a summary of movements in the authorised and issued share capital of the Company.

35. 股本

以下為本公司法定及已發行股本之變動概要。

		Note	Number of shares 股份數目	Amount 金額 \$'000 千元
		註		
Authorised:	法定股本：			
On incorporation, 14 May 2001	於二零零一年五月 十四日註冊成立時	(a)	50,000	50
At 31 December 2001	於二零零一年 十二月三十一日		50,000	50
At 1 January 2002	於二零零二年一月一日		50,000	50
Increase in authorised share capital	法定股本增加	(b)	99,950,000	99,950
Subdivision of ordinary shares into \$0.10 each	將普通股拆細為 每股0.10元	(c)	900,000,000	-
At 31 December 2002	於二零零二年 十二月三十一日		1,000,000,000	100,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

35.SHARE CAPITAL (continued)

35. 股本 (續)

		Note	Number of shares 股份數目	Amount 金額 \$'000 千元
Issued and fully paid:	已發行及繳足股本：			
	於二零零一年五月 十四日註冊成立時 發行之股份	(a)	1	—
Shares issued upon incorporation, 14 May 2001				
	於二零零一年 十二月三十一日		1	—
At 31 December 2001				
	於二零零二年一月一日		1	—
At 1 January 2002				
Subdivision of ordinary shares into shares of \$0.10 each	將普通股拆細 為每股0.10元	(c)	9	—
Shares issued upon Reorganisation	重組時發行股份	(d)	999,990	100
Loan capitalisation	貸款資本化	(e)	639,000,000	63,900
New issue and Placing of shares	發行新股及配售股份	(f)	213,800,000	21,380
	於二零零二年 十二月三十一日		853,800,000	85,380
At 31 December 2002				

Notes:

- (a) The Company was incorporated on 14 May 2001 with an authorised share capital of \$50,000 divided into 50,000 shares of \$1.00 each, of which 1 share of \$1.00, credited as fully paid, was allotted and issued.
- (b) On 7 January 2002, the authorised share capital of the Company was increased from \$50,000 to \$100,000,000 by the creation of an additional 99,950,000 shares of \$1.00 each ranking pari passu with the then existing shares in all respects.

註：

- (a) 本公司於二零零一年五月十四日註冊成立，法定股本為50,000元，分為50,000股每股面值1.00元之股份，其中1股面值1.00元之入賬列為繳足股份經已配發及發行。
- (b) 於二零零二年一月七日，本公司增設99,950,000股每股面值1.00元之股份，將法定股本由50,000元增至100,000,000元。上述新股在各方面均與當時已發行股份享有同等權利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

35. SHARE CAPITAL (continued)

- (c) On 7 January 2002, by means of a sub-division of share capital, the par value to the shares of the Company was reduced from \$1.00 each to \$0.10 each, and every issued and unissued share of \$1.00 was subdivided into 10 shares (the "Subdivision"). Immediately after the Subdivision, the authorised share capital of the Company became \$100,000,000 comprising 1,000,000,000 shares of \$0.10 each of which 10 shares were in issue.
- (d) On 9 January 2002, the Company acquired 1 share of US\$1.00 in Polyland, representing the entire issued share capital of Polyland from MTI in consideration for the issue and allotment of 999,990 shares to MTI. The Company became the holding company of the Group with effect from 9 January 2002.
- (e) On 9 January 2002, the Company entered into an agreement with MSCV, the ultimate holding company such that, an amount of \$105,978,176 represented unsecured loans due to MSCV at 30 November 2001 was capitalised and 639,000,000 shares were allotted and issued to MSCV.
- (f) Pursuant to the listing of the shares of Company on GEM on 31 January 2002, 213,800,000 shares of the Company were issued by way of a Placing. The excess of the issue price over the par value of the shares issued has been credited to the share premium account of the Company.
- (g) All shares both issued and unissued rank pari passu in all respects at 31 December 2002.

Share option scheme (the "Scheme")

The Company conditionally adopted a share option scheme on 7 January 2002 whereby any employees (whether or not full-time or part-time and, for the avoidance of doubt, including the Directors of the Group except Mr Gerald Lokchung Chan) who, at the sole discretion of the Directors have, subject to the terms of the share option scheme, contributed to the Group, may be granted options to subscribe for shares in the Company. Details of the share option scheme are disclosed in the Directors' Report.

35. 股本 (續)

- (c) 於二零零二年一月七日，本公司以拆細股本方式將股份面值由每股1.00元減至0.10元，並將每股面值1.00元之已發行及未發行股份拆細為10股股份（以下簡稱「股份拆細」）。於完成股份拆細當時，本公司之法定股本為100,000,000元，分為1,000,000,000股每股面值0.10元之股份，其中10股為已發行股份。
- (d) 於二零零二年一月九日，本公司向MTI收購Polyland 1股面值1.00美元之股份（即Polyland全部已發行股本），並向MTI發行及配發999,990股股份作為支付代價。本公司自二零零二年一月九日起成為本集團之控股公司。
- (e) 於二零零二年一月九日，本公司與最終控股公司MSCV訂立協議，將二零零一年十一月三十日應付MSCV之無抵押貸款105,978,176元撥充資本，並向MSCV配發及發行639,000,000股股份。
- (f) 根據二零零二年一月三十一日本公司股份在創業板上市，本公司以配售方式發行213,800,000股股份。發行價超逾已發行股份面值之差額已計入本公司之股本溢價賬。
- (g) 於二零零二年十二月三十一日，所有已發行及未發行股份在各方面均享有同等權利。

購股權計劃 (「購股權計劃」)

本公司於二零零二年一月七日有條件地採納購股權計劃，董事可全權酌情根據購股權計劃之條款向對本集團有貢獻之全職或兼職僱員（謹此說明包括陳樂宗先生以外之本集團董事）授予可認購本公司股份之購股權。購股權計劃之詳情載於董事會報告。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

35. SHARE CAPITAL (continued)

Share option scheme (the "Scheme") (continued)

The maximum number of shares in respect of which options may be granted under the Scheme must not exceed 30% of the total number of shares of the Company in issue from time to time.

Pursuant to a written resolution of all the members of the Compensation Committee dated 20 May 2002 and 13 August 2002 respectively and the minutes of a directors' meeting dated 13 August 2002, the Company granted options to subscribe for a total of 18,448,000 shares of the Company at exercise price of HK\$0.62 per share. The options granted are exercisable during the period from 14 August 2003 to 13 August 2012, both dates inclusive.

As at 31 December 2002, the number of shares under option outstanding is 17,328,000. During the year ended 31 December 2002, an aggregate of 1,120,000 options granted during the year lapsed upon the termination of the relevant employees' employment with the Group. No options were exercised during the year ended 31 December 2002.

35. 股本 (續)

購股權計劃 (「購股權計劃」) (續)

根據計劃可授出之購股權所涉股份總數不得超逾本公司不時已發行股份總數之30%。

根據薪酬委員會全體成員分別於二零零二年五月二十日及二零零二年八月十三日通過之書面決議案及二零零二年八月十三日董事會議紀錄，本公司已授予可按行使價每股0.62元認購合共18,448,000股本公司股份之購股權。該等已授予之購股權可於二零零三年八月十四日至二零零二年八月十三日(包括首尾兩日)期間行使。

於二零零二年十二月三十一日，尚未行使購股權所涉股份數目為17,328,000股。截至二零零二年十二月三十一日止年度，年內授出之1,120,000份購股權已於有關僱員不再任職本集團起失效。截至二零零二年十二月三十一日止年度並無人行使購股權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

36. RESERVES

(a) The group

		Share premium	Merger reserves	Other capital reserves	Revenue reserves	Total
		股本溢價	合併儲備	其他資本儲備	收入儲備	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
At 1 January 2001	於二零零一年一月一日	-	255,466	(61,518)	(57,385)	136,563
Profit for the year	本年度溢利	-	-	-	23,387	23,387
At 31 December 2001	於二零零一年十二月三十一日	-	255,466	(61,518)	(33,998)	159,950
At 1 January 2002	於二零零二年一月一日	-	255,466	(61,518)	(33,998)	159,950
Capitalisation of shareholders' loans	股東貸款資本化	42,078	-	-	-	42,078
Share premium arising on issue of placing shares	配售股份所產生 之股本溢價	213,800	-	-	-	213,800
Share issue expenses	發行股份開支	(22,163)	-	-	-	(22,163)
Movements arising from the Reorganisation	重組所產生之變動	-	(100)	-	-	(100)
Loss for the year	本年度虧損	-	-	-	(29,941)	(29,941)
At 31 December 2002	於二零零二年十二月三十一日	233,715	255,366	(61,518)	(63,939)	363,624

Other capital reserves represent the excess/shortfall of the cost of investments in subsidiaries and associates over the appropriate share of the fair value of the net tangible assets acquired by the Group at the date of acquisition.

Merger reserves represent the amount of reserves of subsidiaries that has been capitalised as a result of share-for-share exchanges. The movement in merger reserves during the year ended 31 December 2002 represented the excess of the par value of the shares of the subsidiaries which the Company acquired over the par value of the Company's shares issued in consideration thereof.

36. 儲備

(a) 本集團

其他資本儲備指於附屬公司及聯營公司之投資成本，高於／低於本集團應佔於收購當日所購入有形資產淨值之公允價值。

合併儲備指附屬公司因股換股而撥作資本之儲備額。於二零零二年十二月三十一日止年度之合併儲備變動指本公司所收購附屬公司股份面值超過本公司作為代價之已發行股份面值之差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

36. RESERVES (continued)

(a) The group (continued)

		2002 \$'000 千元	2001 \$'000 千元
(Loss)/profit for the year is retained by:	由下列公司於年內保留之(虧損)/溢利:		
– The company and its subsidiaries	– 本公司及其附屬公司	(28,511)	12,835
– Associates	– 聯營公司	(1,974)	4,390
– Jointly controlled entities	– 共同控制實體	544	6,162
		(29,941)	23,387

Included in the figure for revenue reserves at 31 December 2002 are reserves of \$2,416,000 (2001: \$4,390,000) attributable to associates and reserves of \$9,372,000 (2001: \$8,828,000) attributable to the jointly controlled entities.

截至二零零二年十二月三十一日之收入儲備包括應佔聯營公司儲備2,416,000元(二零零一年: 4,390,000元)及應佔共同控制實體儲備9,372,000元(二零零一年: 8,828,000元)。

(b) The company

		Share premium 股本溢價 \$'000 千元	Revenue reserves 收入儲備 \$'000 千元	Total 總計 \$'000 千元
Loss for the period	期內虧損	–	(113)	(113)
At 31 December 2001	於二零零一年十二月三十一日	–	(113)	(113)
At 1 January 2002	於二零零二年一月一日	–	(113)	(113)
Capitalisation of shareholders' loans	股東貸款資本化	42,078	–	42,078
Share premium arising on issue of placing shares	配售股份所產生之股本溢價	213,800	–	213,800
Share issue expenses	發行股份開支	(22,163)	–	(22,163)
Loss for the year	本年度虧損	–	(5,606)	(5,606)
At 31 December 2002	於二零零二年十二月三十一日	233,715	(5,719)	227,996

36. 儲備 (續)

(a) 本集團 (續)

		2002 \$'000 千元	2001 \$'000 千元
(Loss)/profit for the year is retained by:	由下列公司於年內保留之(虧損)/溢利:		
– The company and its subsidiaries	– 本公司及其附屬公司	(28,511)	12,835
– Associates	– 聯營公司	(1,974)	4,390
– Jointly controlled entities	– 共同控制實體	544	6,162
		(29,941)	23,387

截至二零零二年十二月三十一日之收入儲備包括應佔聯營公司儲備2,416,000元(二零零一年: 4,390,000元)及應佔共同控制實體儲備9,372,000元(二零零一年: 8,828,000元)。

(b) 本公司

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

37.COMMITMENTS AND CONTINGENCIES

(i) Commitments under operating leases

At 31 December 2002, the Group had total future minimum lease payments under non-cancellable operating leases payable as follows:

		2002			2001		
		Property	Site	Total	Property	Site	Total
		rentals	rentals		rentals	rentals	
		物業	廣告位租賃	總計	物業	廣告位租賃	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Within one year	一年內	1,962	63,572	65,534	2,823	69,079	71,902
After one year but	一年後						
within five years	但五年內	320	117,622	117,942	1,134	91,064	92,198
After five years	五年後	-	380,564	380,564	-	29,006	29,006
		2,282	561,758	564,040	3,957	189,149	193,106

The Group leases a number of properties and advertising sites under operating leases. The leases typically run for an initial period of one to eighteen years, with an option to renew the lease upon expiry when all terms are renegotiated. Certain leases contain a contingent rental element which is based on advertising fees receivable from customers.

37. 承擔及或然項目

(i) 經營租賃承擔

於二零零二年十二月三十一日，本集團根據不可撤銷經營租賃而須於下列期間支付之最低租金總額列示如下：

本集團根據經營租賃租用多項物業及廣告位。該等租賃一般初步為期一至十八年，並可於租賃屆滿時選擇續約，有關條款均會重新協定。若干租賃訂有或然租金，乃按應收客戶廣告費用而釐定。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

37.COMMITMENTS AND CONTINGENCIES (continued)

(ii) Other commitments

As at 31 December 2002, CQMPI, a subsidiary of the Group was a party to an agreement with its PRC joint venture partner to pay an annual fee in respect of the granting of certain bus media rights of \$5,327,000 (RMB5,700,000). The agreement is for the period from 1 November 1999 to 22 September 2029. \$5,327,000 (RMB5,700,000) (2001: \$7,850,000) is due within the next twelve months, \$28,037,000 (RMB30,000,000) (2001: \$31,402,000) is due after one year but within five years and \$31,963,000 (RMB34,200,000) (2001: \$23,552,000) is due after five years. The aggregate amount payable by the Group to the PRC joint venture partner up to 31 December 2010 is \$65,327,000 (RMB69,900,000) (2001: \$62,804,000). For the years from 2011 and onwards, the annual fee will be determined through commercial negotiation between CQMPI and its PRC joint venture partner. In view of the above, the commitments mentioned above have not taken into account the annual fee to be payable by CQMPI to its PRC joint venture partner during the years from 2011 to 2029 as the amounts payable cannot be reasonably estimated.

The above commitments are not included in the operating lease commitments disclosed in note 37(i) above.

37. 承擔及或然項目 (續)

(ii) 其他承擔

於二零零二年十二月三十一日，本集團一間附屬公司重慶媒體伯樂與其中國合營夥伴訂立協議，就所獲若干巴士媒體使用權支付5,327,000元(5,700,000人民幣)年費。協議期由一九九九年十一月一日至二零二九年九月二十二日。於未來十二個月須支付5,327,000元(5,700,000人民幣)(二零零一年：7,850,000元)，於一年後但五年內須支付28,037,000元(30,000,000人民幣)(二零零一年：31,402,000元)，而於五年後則須支付31,963,000元(34,200,000人民幣)(二零零一年：23,552,000元)。本集團截至二零一零年十二月三十一日須支付合共65,327,000元(69,900,000人民幣)(二零零一年：62,804,000元)予該中國合營夥伴。由二零一一年起，年費將由重慶媒體伯樂與其中國合營夥伴經商業磋商釐定。由於並不可合理預計該金額，故上述承擔並無計及重慶媒體伯樂將由二零一一年至二零二九年向其中國合營夥伴支付之年費。

上述承擔並不包括於上文附註37(i)所披露之經營租賃承擔。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

37.COMMITMENTS AND CONTINGENCIES (continued)

(iii) Capital commitments

- (a) At 31 December 2002, the Group had capital commitments in respect of the acquisition of fixed assets and advertising rights not provided for in the consolidated financial statements as follows:

		2002 \$'000 千元	2001 \$'000 千元
Contracted for	已訂約	42,178	-
Authorised but not contracted for	已批准但未訂約	-	-
		42,178	-

- (b) At 31 December 2002, the Group had the following capital commitments in respect of investments in subsidiaries which have not yet established.

- (1) Media Partners International Limited ("MPIL"), a subsidiary of the Group entered into a co-operative joint venture agreement with an independent third party in 2002 to establish Shenzhen Media Partners International Advertising Limited ("Shenzhen MPI") whereby the Group shall contribute 49% of the total registered capital of Shenzhen MPI. The 49% agreed contribution amounts to US\$147,000 (equivalent to approximately \$1.1 million). At 31 December 2002, Shenzhen MPI has not yet been established.

37. 承擔及或然項目 (續)

(iii) 資本承擔

- (a) 於二零零二年十二月三十一日，本集團在綜合財務報表並無作出撥備有關收購固定資產及媒體使用權之資本承擔：

	2002 \$'000 千元	2001 \$'000 千元
Contracted for	42,178	-
Authorised but not contracted for	-	-
	42,178	-

- (b) 於二零零二年十二月三十一日，本集團有下列尚未成立之附屬公司投資之資本承擔。

- (1) 本集團之附屬公司梅迪派勒廣告有限公司(以下簡稱「梅迪派勒」)與一名獨立第三者於二零零二年訂立合作合營協議，成立深圳媒體伯樂廣告有限公司(以下簡稱「深圳媒體伯樂」)，本集團將注入深圳媒體伯樂全部註冊資本之49%。上述49%協定注資額為147,000美元(約等於1,100,000元)。於二零零二年十二月三十一日，深圳媒體伯樂尚未成立。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

37.COMMITMENTS AND CONTINGENCIES (continued)

(iii) Capital commitments (continued)

- (2) MPIL entered into a joint venture agreement with an independent third party in 2002 to establish a joint venture in Guangzhou whereby the Group shall contribute part of the total registered capital of the joint venture in the amount of approximately RMB6,000,000. At 31 December 2002, the joint venture has not yet been established.

(iv) Contingent liabilities

- (a) At 31 December 2002, the Group had contingent liabilities amounting to \$4,703,000 (2001: \$7,333,000) in respect of bank guarantees given to independent third parties in the ordinary course of business to ensure the due performance of a subsidiary and observance of the obligations of the subsidiary to certain agreements.
- (b) At 31 December 2002, guarantees given by the Company to banks to secure banking facilities made available to the subsidiaries amounted to \$166,729,000. (2001: \$Nil).

37. 承擔及或然項目 (續)

(iii) 資本承擔 (續)

- (2) 梅迪派勒與一名獨立第三者於二零零二年訂立合營協議，於廣州成立一合營公司，本集團將注入該合營公司全部註冊資本其中約6,000,000人民幣。於二零零二年十二月三十一日，該合營公司尚未成立。

(iv) 或然負債

- (a) 於二零零二年十二月三十一日，本集團之或然負債合共4,703,000元(二零零一年：7,333,000元)。該或然負債乃本集團在日常業務中向獨立第三者作出之銀行擔保，以確保一間附屬公司妥善履行及遵守若干協議規定該附屬公司之責任。
- (b) 於二零零二年十二月三十一日，本公司向銀行提供為數166,729,000元之擔保(二零零一年：無)，使附屬公司可取得銀行信貸。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS

The following transactions represent material and significant related party transactions between the Group and related parties identified by management:

In the Directors' opinion, the transactions noted below were entered into in the ordinary course of business and on normal commercial terms.

38. 重大關連人士交易

據管理層表示，下列為本集團與關連人士訂立重大及重要之關連人士交易：

董事認為，下列交易乃在日常業務中按一般商業條款訂立。

			2002	2001
		Note	\$'000	\$'000
		註	千元	千元
Income	收益			
Management fees for accounting, administration and other related service fees from	來自下列公司之會計及行政管理費用及其他相關服務費用			
– Guangzhou Yong Tong Metro Advertising Company Limited	– 廣州地鐵永通廣告有限公司	(a)	4,311	4,114
– Shanghai Metro-ads Advertising Co., Ltd.	– 上海華智地鐵廣告有限公司	(l)	3,960	3,960
– Market Catalyst International (Shanghai) Ltd.	– 卓進市場策劃(上海)有限公司	(II)	–	449
			8,271	8,523
Advertising and other related service fees from	來自下列公司之廣告及其他相關服務費			
– Chinese Domain Name Corporation Limited	– 中文域名有限公司	(b)	–	220
– Market Catalyst International (Hong Kong) Limited	– 卓進市場策劃(香港)有限公司	(II & VI)	79	2,400
			79	2,620
Agency commission income effectively received from	向下列公司實際收取之代理佣金收益			
– 成都運興公交有限公司	– 成都運興公交有限公司	(c)	–	437
			–	437
Loan interest income received from:	向下列人士收取之貸款利息收益：			
– Minority shareholder	– 少數股東	(d)	70	108

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS (continued)

38. 重大關連人士交易 (續)

Expenses	開支	Note 註	2002 \$'000 千元	2001 \$'000 千元
Advertising and other related services	廣告及其他相關服務	(b)		
– Shanghai Production JV	– 上海製作合營企業	(l)	1,318	–
– Market Catalyst International (Hong Kong) Limited	– 卓進市場策動(香港)有限公司	(ll)	277	–
– POAD	– POAD	(V)	510	–
			2,105	–
Office rentals payable to	支付予下列公司之辦公室租金	(e)		
– Hang Lung Real Estate Agency Limited	– 恒隆地產代理有限公司	(IV)	555	695
– Nobel State Company Limited	– 湛域有限公司	(ll)	789	463
			1,344	1,158
Administrative fees payable to	支付予下列公司之行政費用	(f)		
– MTI Administration Limited	– 晨興科技管理服務有限公司	(ll)	832	–
Consultancy fees payable to	支付予下列公司之顧問費	(g)		
– Springfield Financial Advisory Limited	– Springfield Financial Advisory Limited	(ll)	180	–
Agency fees and management fees payable to	支付予下列公司之代理費及管理費	(h)		
– 成都運興公交有限公司	– 成都運興公交有限公司	(lll)	3,491	–
Interest on Convertible Bond payable to	支付予下列公司之可換股債券利息	(i)		
– Morningside CyberVentures Holdings Limited	– Morningside CyberVentures Holdings Limited	32 & (ll)	2,078	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes:

Nature and the basis of the related party transactions are set out below:

- (a) Management fees for accounting, administration and other related service fees are calculated based on the pre-determined rates specified in the underlying management fee agreements signed between the Group and the jointly controlled entities.
- (b) Advertising and other related service fees are charged based on the amounts agreed between the Group and the related parties by reference to similar transactions with outside customers.
- (c) Agency commission income is computed based on 15% of the advertising fee income earned from customers introduced/referred by the Group to 成都運興公交有限公司 (“Bus JV”).
- (d) Loan interest income received from the minority shareholder of Best Reward Venture Limited is calculated at a rate of 2% per annum on the outstanding loan advanced to the minority shareholder.
- (e) Office rentals are payable at a pre-determined amounts per month by reference to market rates in accordance with the terms of the tenancy agreements signed by the Group and the related parties.
- (f) On 9 January 2002, the Company entered into an administrative services agreement with MTI Administration Limited, a wholly owned subsidiary of MSCV, the ultimate holding company, to provide or procure the provision of administrative services to the Group. The Company agreed to pay MTI Administration Limited, on a monthly basis, a proportion of the monthly total staff costs in relation to such administrative services.
- (g) Consultancy fees are charged based on the services provided to the Group by the related party by reference to similar transactions with outside customers.
- (h) On 31 May 2002, Chengdu MPI Public Transport Advertising Co Ltd (“Chengdu Advertising MPI”), a subsidiary of the Group, entered into an advertising agency agreement with Bus JV whereby Chengdu Advertising MPI agreed to provide advertising agency and management services to Bus JV. Chengdu Advertising MPI pays the Bus JV 70% of the amount received by it for the placement of advertisements on the buses owned by Bus JV and retains the remaining 30% to cover its agency fees and management fees.

38. 重大關連人士交易 (續)

註：

關連人士交易之性質及基準載列如下：

- (a) 會計及行政管理費用及其他相關服務費，乃根據本集團與共同控制實體簽訂之基本管理協議中列明之預定收費計算。
- (b) 廣告及其他相關服務費，乃根據本集團與關連人士經參考與外界客戶進行之類似交易而協定之款額計算收費。
- (c) 代理佣金收益乃根據本集團向成都運興公交有限公司(以下簡稱「成都運興」)介紹／轉介客戶所賺取廣告費收益之15%計算。
- (d) 已收Best Reward Venture Limited少數股東之貸款利息收益，乃根據給予少數股東之未償還貸款按年息2厘計算。
- (e) 辦公室租金須根據本集團與關連人士簽訂之租約條款，並參考市值，每月按預定額支付。
- (f) 於二零零二年一月九日，本公司與晨興科技管理服務有限公司(最終控股公司MSCV之全資附屬公司)訂立管理服務協議，為本集團提供或安排管理服務。本公司同意每月就上述管理服務向晨興科技管理服務有限公司支付有關部分之僱員總成本。
- (g) 關連人士向本集團提供服務之有關顧問費乃參考與外界客戶進行之類似交易計算收費。
- (h) 於二零零二年五月三十一日，本集團附屬公司成都媒體伯樂與成都運興訂立廣告代理協議，成都媒體伯樂同意向成都運興提供廣告代理及管理服務。成都媒體伯樂將向成都運興支付成都運興巴士車身廣告所獲收入之70%，並保留其餘30%作為代理費及管理費。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

Nature and the basis of the related party transactions are set out below: (continued)

- (i) Interest on the Convertible Bond payable to MSCV is calculated at a rate of 2.5% per annum, semi-annually in arrears.

Details of the relationship between the related parties and the Group are set out below:

- (I) Jointly controlled entities of the Group.
- (II) Part of the Morningside group, companies controlled by various trusts established by Madam Chan Tan Ching Fen, the mother of Mr Gerald Lockchung Chan (the non-executive director of the Company) for the benefit of certain members of her family and other charitable objects, excluding Hang Lung Group Limited ("Hang Lung") and its subsidiaries.
- (III) Bus JV, a PRC sino-foreign co-operative joint venture where the foreign partner, MPI Transportation Company Limited, is part of the Morningside group and contributed 64% of the registered capital.
- (IV) A member of Hang Lung which is controlled by the trustees of trusts established by Madam Chan Tan Ching Fen, the discretionary objects of one of which includes an Associate (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) of Mr Gerald Lokchung Chan, (the non-executive director of the Company).
- (V) Associate of the Group.

Details of continuing and non-continuing transactions:

The directors of the Company have confirmed that the related party transactions set out in the above table will continue except for the following:

- (VI) These transactions have been discontinued following the expiry of the respective advertising contracts with Chinese Domain Name Corporation Limited.

38. 重大關連人士交易 (續)

註：(續)

關連人士交易之性質及基準載列如下：(續)

- (i) 應付予MSCV之可換股債券利息乃根據年息2厘半計算，並每半年支付前期利息。

關連人士與本集團之關係載述如下：

- (I) 本集團之共同控制實體。
- (II) 晨興集團之部份公司由本公司非執行董事陳樂宗先生母親陳譚慶芬女士為其若干家族成員及其他慈善機構而設立之多項信託所控制(不包括恒隆集團有限公司(以下簡稱「恒隆」)及其附屬公司)。
- (III) 中國中外合作合營企業成都運興之外資方MPI Transportation Company Limited為晨興集團之一部份，已注入64%註冊資本。
- (IV) 由陳譚慶芬女士所設立信託之受託人控制之恒隆集團成員公司，而其中一項信託的全權受益人之一乃本公司非執行董事陳樂宗先生之一名聯繫人士(定義見香港聯合交易所有限公司創業板證券上市規則)。

- (V) 本集團之聯營公司。

持續及非持續交易之詳情：

本公司董事確認上表所列關連人士交易將持續進行，惟下述者除外：

- (VI) 該等交易已於與中文域名有限公司訂立之有關廣告合約期滿後終止。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

Details of continuing and non-continuing transactions: (continued)

In addition, the Group had rental deposits receivable amounting to approximately \$164,000 (2001: \$157,000) in respect of the office rental arrangement with Hang Lung Real Estate Agency Limited at 31 December 2002. In connection with rental agreements with related parties, the Group had commitments to make payments to related parties under operating leases of \$875,000 (2001: \$1,274,000) within the next twelve months and \$320,000 (2001: \$874,000) after one year but within five years.

Transfers of assets from the Group to Guangzhou Metro JV

The Group holds the legal title of a property in Guangzhou, the PRC. The property was transferred to Guangzhou Metro JV pursuant to an agreement signed between the Guangzhou Metro Corporation and MPIL on 26 August 1999. The agreement was signed in respect of the establishment of Guangzhou Metro JV. The property is currently occupied as an office by Guangzhou Metro Corporation, the PRC partner of Guangzhou Metro JV and 廣州地鐵實業有限公司, a subsidiary of Guangzhou Metro Corporation, whereas Guangzhou Metro JV currently occupies a property as an office being held by the PRC partner in the same building. Such occupancy arrangements were determined after arm's length negotiation. The property was transferred at a value of \$27,830,000 (RMB29,778,000), being the original cost to MPIL and no profit or loss was incurred on disposal by MPIL. Of the \$27,830,000, \$9,138,000 was transferred to Guangzhou Metro JV by way of an asset injection. As at 31 December 2002, the remaining amount of \$18,692,000 was due from Guangzhou Metro JV in respect of the above transfer which amount is non-interest bearing, unsecured and has no fixed terms of repayment.

In addition, MPIL transferred certain advertising display equipment with a net book value of \$12,731,000 (RMB13,622,000) to Guangzhou Metro JV. No profit or loss was incurred on disposal of such advertising display equipment by MPIL.

Amounts due to and from related parties

Amounts due to and from related parties at 31 December 2002 are set out in the consolidated balance sheet of the Group.

38. 重大關連人士交易 (續)

註：(續)

持續及非持續交易之詳情：(續)

此外，於二零零二年十二月三十一日，本集團就與恒隆地產代理有限公司訂立之辦公室租金安排而應收為數約164,000元(二零零一年：157,000元)之租金按金。至於與關連人士訂立之租金協議，本集團已承諾於未來十二個月內根據經營租賃向關連人士支付875,000元(二零零一年：1,274,000元)，而320,000元(二零零一年：874,000元)則須於一年後但五年內支付。

本集團轉讓資產予廣州永通

本集團持有中國廣州一項物業之法定業權。根據廣州市地下鐵總公司與梅迪派勒於一九九九年八月二十六日簽訂之協議，該物業已轉讓予廣州永通。該協議乃就成立廣州永通而簽訂。該物業現由廣州永通之中方夥伴廣州市地下鐵總公司及其附屬公司廣州地鐵實業有限公司用作辦公室，而現時廣州永通則佔用同一大廈內由中方夥伴持有之物業作為辦公室。該等佔用安排均經公平磋商釐定。該物業乃按27,830,000元(29,778,000人民幣)之價格(即梅迪派勒原來承擔之成本)予以轉讓，而梅迪派勒在出售時並無產生任何盈虧。27,830,000元其中9,138,000元是以注入資產方式轉讓予廣州永通。於二零零二年十二月三十一日，廣州永通仍須就上述轉讓應付其餘18,692,000元。該筆款項乃免息、無抵押及無固定還款期。

此外，梅迪派勒轉讓賬面淨值為12,731,000元(13,622,000人民幣)之若干廣告顯示器設備予廣州永通。梅迪派勒於出售該廣告顯示器設備時並無產生任何盈虧。

應付及應收關連人士款項

於二零零二年十二月三十一日應付及應收關連人士款項載於本集團之綜合資產負債表。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

38. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

Group Reorganisation

Pursuant to the Reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM, the Company became the holding company of the subsidiaries now comprising the Group on 9 January 2002.

The Reorganisation was accomplished by acquiring the entire share capital of Polyland in consideration of and in exchange for the issue and allotment of 999,990 shares to MTI, the former shareholder of Polyland. Further details of the Reorganisation are set out in the Company's prospectus dated 15 January 2002 ("the Prospectus").

39. COMPARATIVE FIGURES

The comparative figures presented are based on the proforma financial information set out on pages 62 to 128 of the 2001 annual report of the Group.

The presentation and classification of items in the consolidated cash flow statement have been changed due to the adoption of the requirements of SSAP 15 (revised 2001) "Cash flow statements". As a result, certain advances from banks have been excluded from the definition of cash equivalents, cash flow items from taxation, returns on investments and servicing of finance have been classified into operating, investing and financing activities respectively and a detailed breakdown of cash flows from operating activities has been included on the face of the consolidated cash flow statement. Comparative figures have been reclassified to conform with the current year's presentation.

40. ULTIMATE HOLDING COMPANY

The Directors of the Company consider MSCV, a company incorporated in the British Virgin Islands, to be the ultimate holding company at 31 December 2002.

38. 重大關連人士交易 (續)

註：(續)

集團重組

根據為籌備本公司股份在創業板上市而整理本集團架構所進行之重組，本公司於二零零二年一月九日成為本集團現有附屬公司之控股公司。

重組透過收購Polyland之全部股本達成，而收購代價為向Polyland前股東MTI發行及配發999,990股股份。本公司二零零二年一月十五日之招股章程(以下簡稱「招股章程」)載有重組之其他資料。

39. 比較數字

所呈列之比較數字均根據本集團二零零一年年報第62至128頁所載之備考財務資料而編撰。

於採納會計實務準則第15號(二零零一年修訂本)「現金流量表」之規定後，綜合現金流量表之呈報方式及項目分類有所改變。因此，若干銀行墊款不再屬於等同現金項目；稅務現金流量項目、投資回報及融資費用分別列入經營、投資及融資活動，而綜合現金流量表已列出經營業務現金流量之詳細分析。比較數字已重新分類，以符合本年度之呈報方式。

40. 最終控股公司

本公司董事認為，於二零零二年十二月三十一日，最終控股公司為於英屬處女群島註冊成立之MSCV。

FINANCIAL SUMMARY

財務摘要

(Expressed in Hong Kong dollars) (以港元為單位)

		2002	2001	2000	1999
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Turnover	營業額	290,804	258,976	220,461	149,184
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利	(29,941)	23,387	9,668	(28,114)
EBITDA (note 3)	EBITDA (附註3)	14,014	62,208	51,013	(522)
Adjusted EBITDA (note 4)	經調整EBITDA (附註4)	28,949	78,154	56,154	(522)
Assets and liabilities		資產與負債			
Total assets	總資產	880,655	583,713	548,318	379,469
Total liabilities	總負債	(411,318)	(401,325)	(393,802)	(414,759)
Minority interests	少數股東權益	(20,333)	(22,438)	(17,953)	(15,670)
Capital and reserves	資本及儲備	449,004	159,950	136,563	(50,960)

Notes:

- (1) The results of the Group for each of the three years ended 31 December 1999, 2000 and 2001 have been prepared on a proforma combined basis as if the Group structure immediately after the Group Reorganisation had been in existence throughout those years. The results of the Group for each of the two years ended 31 December 1999 and 2000 were extracted from the Company's Prospectus dated 15 January 2002.
- (2) The Company was incorporated in the Cayman Islands on 14 May 2001 and became the holding company of the companies now comprising the Group as a result of the Group Reorganisation which was completed on 9 January 2002.
- (3) EBITDA is defined as earnings before interest expenses, tax, depreciation and amortisation, minority interests and share of profits less losses of associates and jointly controlled entities.
- (4) Adjusted EBITDA is defined as earnings before interest expenses, tax, depreciation and amortisation, minority interests and including the Group's share of profits of an associate, POAD Group, and a jointly controlled entity, Shanghai Metro JV but excluding losses of the jointly controlled entities, Guangzhou Metro JV and Shanghai Zhongle.

附註:

- (1) 本集團截至一九九九年、二零零零年及二零零一年十二月三十一日止三年度各年之業績，乃假設本集團於重組完成後之架構於有關年度一直存在而按備考合併基準編撰。本集團截至一九九九年及二零零零年十二月三十一日止兩年度之業績，乃節錄自本公司二零零二年一月十五日之招股章程。
- (2) 本公司於二零零一年五月十四日在開曼群島註冊成立，當二零零二年一月九日重組完成後成為本集團現時各公司之控股公司。
- (3) EBITDA指未計利息開支、稅項、折舊與攤銷、少數股東權益及分佔聯營公司與共同控制實體溢利減虧損前之盈利。
- (4) 經調整EBITDA指未計利息開支、稅項、折舊與攤銷及少數股東權益之前已計及本集團分佔聯營公司POAD集團與共同控制實體上海華智之溢利但不計分佔共同控制實體廣州永通及上海中樂之虧損。

GLOSSARY

釋義

“Adjusted EBITDA”

earnings before interest expenses, tax, depreciation and amortisation, minority interests and including the MPI Group's share of profits of a jointly controlled entity, Shanghai Metro JV and the associate, POAD

“Administrative Services Agreement”

an agreement dated 9 January 2002 entered into between the Company and MTI Administration Limited, pursuant to which MTI Administration Limited has agreed to provide or procure the provision of support services to the MPI Group

“AEL”

Airport Express Line

“Associate(s)”

has the meaning ascribed to it in the GEM Listing Rules

“Board”

board of Directors

“CAGR”

compound average growth rate

“Company”

Media Partners International Holdings Inc. (*for identification only), a company incorporated in the Cayman Islands with limited liability

“Chengdu Advertising MPI”

Chengdu MPI Public Transport Advertising Co. Ltd., a sino-foreign CJV established in the PRC, a subsidiary of the MPI Group

“Chongqing MPI”

Chongqing MPI Public Transportation Advertising Co., Ltd., a sino-foreign CJV established in the PRC

“CJV”

co-operative joint venture

“Combined Turnover”

turnover of MPI Group together with the turnover of the three jointly controlled entities and an associate

“Companies Law”

the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

“CPM”

cost per thousand reached, a standard measurement of the cost effectiveness of an advertising medium

“Directors”

the directors of the Company

“EBITDA”

earnings before interest expense, tax, depreciation and amortisation

“EJV”

equity joint venture

“GDP”

gross domestic product is a measure of the total value of production of all resident producing units of a country or territory in a specified period. GDP can be measure during different approaches. For the PRC, GDP is compiled using the production approach and the income approach. For Hong Kong, GDP is compiled using the expenditure approach and the production approach

“GEM”

the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

“GEM Listing Rules”

the Rules Governing the Listing of Securities on the GEM of Stock Exchange

“Greater China”

for the purpose of this Annual Report, means the Mainland China, Hong Kong, Macau and Taiwan

“Guangzhou Metro JV”

Guangzhou Yong Tong Metro Advertising Company Limited, a sino-foreign CJV established in the PRC

「經調整EBITDA」

未計利息支出、稅項、折舊及攤銷、少數股東權益前盈利及包括媒體伯樂集團之共同控制實體(上海華智)及聯營公司(POAD)的分佔溢利

「管理服務協議」

本公司與農興科技管理服務有限公司於二零零二年一月九日訂立的一項協議。據此，農興科技管理服務有限公司已同意向媒體伯樂集團提供或促使提供支援服務

「機場快綫」

機場快綫

「聯營公司」或「聯繫人」

具有創業板上市規則所賦予的涵義

「董事會」

董事會

「複合平均增長率」

複合平均增長率

「本公司」

媒體伯樂集團有限公司(*僅供識別)，於開曼群島註冊成立的有限公司

「成都媒體伯樂」

成都媒體伯樂公交廣告有限公司，於中國成立的一間中外合作經營企業

「重慶媒體伯樂」

重慶媒體伯樂公交廣告有限公司，於中國成立的一間中外合作經營企業

「合作經營企業」

合作經營企業

「合併營業額」

媒體伯樂集團的營業額，包括其三間共同控制實體及一間聯營公司

「公司法」

開曼群島一九六一年第三條法例第22章公司法(綜合及修訂版)

「千人成本」

接觸每一千個人的成本，是衡量廣告媒體的成本效益的標準方法

「董事」

本公司董事

「EBITDA」

未計利息支出、稅項、折舊及攤銷前盈利

「合資經營企業」

合資經營企業

「國內生產總值」或「本地生產總值」

國內生產總值或本地生產總值是計算於指定期內，國家或地區的所有居民生產單位的生產價值。國內生產總值可透過不同方法計算。就中國而言，國內生產總值是結合生產及收入兩種方法計算。就香港而言，本地生產總值則以開支及生產方法計算

「創業板」

香港聯合交易所有限公司創業板

「創業板上市規則」

聯交所的創業板證券上市規則

「大中華區」

就本年報而言，指中國內地、香港、澳門及台灣

「廣州永通」

廣州地鐵永通廣告有限公司，於中國成立的一間中外合作經營企業

GLOSSARY (continued)

釋義 (續)

“Hong Kong”

Hong Kong Special Administrative Region of the PRC

“HKD” and “HK Cents”

Hong Kong Dollars and Hong Kong Cents, the lawful currency of Hong Kong

“JCE”

jointly controlled entity

“JV”

joint venture

“LEDs”

liquid electronic displays

“Mainland China” or “PRC”

the People’s Republic of China, which, for the purpose of this Annual Report, excludes Hong Kong, Macau and Taiwan

“MPI Group” or “the Group”

the Company and its subsidiaries

“MPIL”

Media Partners International Limited, a company incorporated in Hong Kong with limited liability

“MPIL(HK)”

Media Partners International (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability

“Morningside”

Morningside CyberVentures Holdings Limited, a private company incorporated in the British Virgin Islands with limited liability

“Morningside Group”

collectively, companies controlled by the Chan Family excluding Hang Lung and its subsidiaries

“Nanjing MPI”

Nanjing Media Partners International Public Transport Advertising Co., Ltd., a sino-foreign CJV established in the PRC

“Prospectus”

the prospectus of the Company dated 15 January 2002

“POAD”

POAD Group Limited, a company incorporated in Hong Kong with limited liability, an associate company of the Group

“RMB”

Renminbi, the lawful currency of the PRC

“SDI Ordinance”

the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the laws of Hong Kong)

“Shanghai MPI”

Shanghai Media Partners International Ltd., a sino-foreign CJV established in the PRC

“Shanghai Zhongle”

Shanghai Zhongle Vehicle Painting Co. Ltd., a sino-foreign EJV established in the PRC

“Shanghai Metro JV”

Shanghai Metro-ads Advertising Co., Ltd., a sino-foreign CJV established in the PRC

“Share(s)”

share(s) of HK\$0.1 each in the capital of the Company

“Shareholder(s)”

holder(s) of the Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“the Sponsor”

BNP Paribas Peregrine Capital Hong Kong Limited

“WTO”

the World Trade Organization

「香港」

中國香港特別行政區

「港元」及「港仙」

港元及港仙，香港法定貨幣

「共同控制實體」

共同控制實體

「合營企業」

合營企業

「電子顯示熒幕」

液晶體電子顯示熒幕

「中國內地」或「中國」

中華人民共和國，就本年報而言，不包括香港、澳門及台灣

「媒體伯樂集團」或「本集團」

本公司及其附屬公司

「梅迪派勒」

梅迪派勒廣告有限公司，在香港註冊成立的有限公司

「香港媒體伙伴」

香港媒體伙伴有限公司，於香港註冊成立的有限公司

「Morningside」

Morningside CyberVentures Holdings Limited，於英屬處女群島註冊成立的私人有限公司

「晨興集團」

泛指陳氏家族所控制的公司，不包括恒隆及其附屬公司

「南京梅迪派勒」

南京梅迪派勒廣告有限公司，於中國成立的一間中外合作經營企業

「招股章程」

於二零零二年一月十五日刊發的本公司招股章程

「POAD」

POAD Group Limited，於香港註冊成立的有限公司，本集團之聯營公司

「人民幣」

人民幣，中國法定貨幣

「證券(披露權益)條例」

香港法例第396章證券(披露權益)條例

「上海梅迪派勒」

上海梅迪派勒廣告有限公司，於中國成立的中外合作經營企業

「上海中樂」

上海中樂汽車油漆噴塗製作有限公司，於中國成立的中外合資經營企業

「上海華智」

上海華智地鐵廣告有限公司，於中國成立的中外合作經營企業

「股份」

本公司股本中每股面值0.10港元的股份

「股東」

股份持有人

「聯交所」

香港聯合交易所有限公司

「保薦人」

法國巴黎百富勤融資有限公司

「世貿」

世界貿易組織

