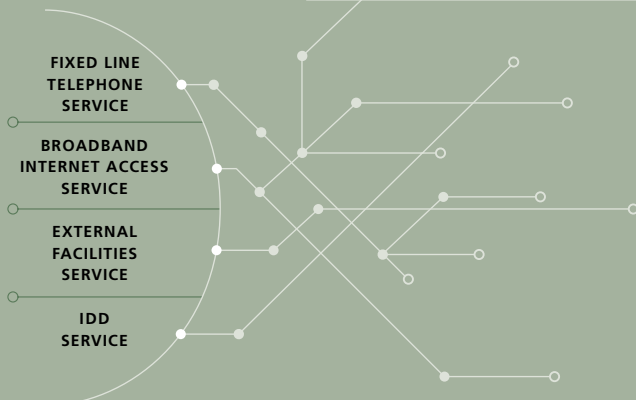




MORE DIVERSE AND INNOVATIVE SERVICES

looking ahead, we will continue to compete vigorously in various areas of the telecommunications and

We anticipate great demand for innovative applications and services in telecommunications in **2002**





WAY AHEAD

internet market



董事報告書**REPORT OF THE DIRECTORS**

董事謹此提呈截至二零零一年八月三十一日止年度之報告及經審核賬目。

主要業務及營業地區分佈

本公司及其附屬公司之主要業務為向香港、日本及加拿大用戶提供國際電訊服務、向香港與加拿大用戶提供固定電訊網絡服務及提供互聯網頁內容與電子商貿服務。

本集團於本年度按主要業務及市場地區劃分之營業額及經營溢利貢獻分析載於賬目附註2。

業績及分配

本年度業績載於第42頁之綜合損益賬。

董事曾宣派中期股息每股普通股0.01港元，涉及款額共4,907,000港元，已於二零零一年六月二十八日派發。

董事不建議派發末期股息。

儲備

本集團及本公司儲備於年內之變動載於賬目附註17。

捐款

本集團於年內所作之捐款為68,000港元。

固定資產

固定資產之變動詳情載於賬目附註12。

The directors submit their report together with the audited accounts for the year ended 31st August 2001.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company and its subsidiaries are the provision of international telecommunications services to customers in Hong Kong, Japan and Canada, fixed telecommunications network services to Hong Kong and Canadian customers, and internet content and e-commerce services.

An analysis of the Group's turnover and contribution to operating profit for the year by principal activities and geographical markets is set out in note 2 to the accounts.

RESULTS AND APPROPRIATIONS

The results for the year are set out in the consolidated profit and loss account on page 42.

The directors have declared an interim dividend of HK\$0.01 per ordinary share, totalling HK\$4,907,000, which was paid on 28th June 2001.

The directors do not recommend the payment of a final dividend.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 17 to the accounts.

DONATIONS

Donations made by the Group during the year amounted to HK\$68,000.

FIXED ASSETS

Details of the movements in fixed assets are set out in note 12 to the accounts.

股本及購股權

本公司股本及購股權之變動詳情載於賬目附註 16。

可供分派儲備

按照香港公司條例第七十九B條之規定計算，本公司於二零零一年八月三十一日之可供分派儲備約為 192,243,000 港元（二零零零年：97,942,000 港元）。

五年財務概要

本集團過去五個財政年度之業績及資產與負債概要載於第 81 頁。

集團借貸

本集團於二零零一年八月三十一日之借貸須於下列期間償還：

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company are set out in note 16 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st August 2001, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to approximately HK\$192,243,000 (2000: HK\$97,942,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 81.

GROUP'S BORROWINGS

The Group's borrowings as at 31st August 2001 are repayable in following periods:

		銀行透支		融資租賃承擔	
		Bank overdrafts		Obligations under finance leases	
		2001	2000	2001	2000
		千港元	HK\$'000	千港元	HK\$'000
按通知或不超過一年	On demand or not exceeding one year	26,409	67,088	4,410	4,089
一年以上但不超過兩年	More than one year but not exceeding two years	-	-	2,974	4,438
兩年以上但不超過五年	More than two years but not exceeding five years	-	-	-	2,952
		26,409	67,088	7,384	11,479

董事報告書**REPORT OF THE DIRECTORS****購買、出售或贖回股份**

本公司於年內並無贖回任何股份。於本年度內，本公司或其任何附屬公司概無購買或出售本公司任何股份。

董事

本年度內及截至本報告日期止之在任董事如下：

王維基先生(主席)

張子建先生(董事總經理)

莊建俊先生

馮素梅女士

蕭詠筠女士

杜惠冰女士(於二零零零年十月四日獲委任)

鄭慕智先生 * #

李漢英先生 * #

陳建民先生 * #

根據本公司之公司組織章程細則第96條，李漢英先生任滿退任，並願候選連任。

* 獨立非執行董事

審核委員會成員

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立任何不可於一年內予以終止而毋須作出賠償(法定賠償除外)之服務合約。

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS

The directors during the year and up to the date of this report were:

Mr WONG Wai Kay, Ricky (Chairman)

Mr CHEUNG Chi Kin, Paul (Managing director)

Mr CHONG Kin Chun, John

Ms FUNG So Mui, Fion

Ms SIO Veng Kuan, Corinna

Ms TO Wai Bing (appointed on 4th October 2000)

Mr CHENG Mo Chi, Moses * #

Mr LEE Hon Ying, John * #

Mr CHAN Kin Man * #

In accordance with Article 96 of the Company's Articles of Association, Mr LEE Hon Ying, John retires by rotation and, being eligible, offers himself for re-election.

* *Independent non-executive directors*

Members of the Audit Committee

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事及高級管理人員之履歷

董事及高級管理人員之履歷簡介載於第 20 頁。

董事於合約中之權益

於年度終結或年內任何時間，本公司或其任何附屬公司概無訂立任何與本集團業務存有密切關係，且本公司董事於其中擁有重大權益(不論直接或間接)之重大合約。

關連交易

各項關連交易之詳情如下：

- (a) 本公司於一九九九年四月十五日，四月二十二日及八月十六日與 KDDI Corporation (前稱 KDD Corporation) 訂立三項服務協議(「服務協議」)：據此，KDDI Corporation 向本公司提供國際網絡服務。於二零零零年三月，KDDI Corporation 因認購本公司現持有 85% 股權之附屬公司香港寬頻網絡有限公司(「香港寬頻」)之已發行股本 15% 權益而成為一名關連人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))。本公司於截至二零零一年八月三十一日止年度根據服務協議須向 KDDI Corporation 支付之服務費為 34,106,000 港元(二零零零年：33,129,000 港元)，佔本集團截至二零零一年八月三十一日止年度之營業額 3.4% (二零零零年：2.7%)。本公司已就上述持續進行之關連交易向香港聯合交易所有限公司申請豁免嚴格遵守上市規則第 14 章之規定。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on page 20.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

The details of connected transactions are set out as follows:

- (a) The Company and KDDI Corporation (formerly known as KDD Corporation) entered into three service agreements (the "Service Agreements") dated 15th April, 22nd April and 16th August in 1999 pursuant to which KDDI Corporation provides international carrier services to the Company. In March 2000, upon subscription of a 15% equity interest in the issued share capital of Hong Kong Broadband Network Limited ("HKBN"), a subsidiary in which the Company holds 85% equity interest, KDDI Corporation became a connected person as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). The service fees payable to KDDI Corporation by the Company pursuant to the Service Agreements for the year ended 31st August 2001 amounted to HK\$34,106,000 (2000: HK\$33,129,000), representing 3.4% (2000: 2.7%) of the Group's turnover for the year ended 31st August 2001. The Company has applied for a waiver by the Stock Exchange of Hong Kong Limited from strict compliance with the requirements of Chapter 14 of the Listing Rules on the above-mentioned continuing connected transactions.

董事報告書**REPORT OF THE DIRECTORS**

獨立非執行董事已檢討此等根據服務協議進行之交易，並確認：

- (i) 此等交易乃於本公司之一般及日常業務中訂立；
- (ii) 此等交易乃按一般商業條款訂立；
- (iii) 此等交易對本公司股東而言乃屬公平合理；及
- (iv) 根據服務協議所須支付費用之總值不超過本公司截至二零零一年八月三十一日止年度之營業額 10%。

(b) 根據本公司與 KDDI Corporation 於二零零零年三月一日訂立之股東協議，本公司及 KDDI Corporation 訂立一項貸款融資通知書（「融資通知書」），根據彼此於二零零零年六月二十六日在香港寬頻所佔股權按比例向香港寬頻提供合共最高 600,000,000 港元之貸款，利息為年利率 7%，並須於二零零三年六月二十五日全數還款，而香港寬頻亦於二零零零年九月二十二日以其全部現有及未來資產向本公司及 KDDI Corporation 提供浮動抵押（「浮動抵押」），作為取得貸款融資之抵押。董事認為融資通知書及浮動抵押均按正常商業條款訂立。於二零零一年八月三十一日，本公司根據融資通知書向香港寬頻墊付之現金達 127,500,000 港元。

The independent non-executive directors have reviewed these transactions carried out under the Service Agreements and confirmed that:

- (i) the transactions were in the ordinary and usual course of business of the Company;
- (ii) the transactions were entered into on normal commercial terms;
- (iii) the transactions were fair and reasonable so far as the shareholders of the Company are concerned; and
- (iv) the aggregate value of the fee payable pursuant to the Service Agreements did not exceed 10% of the Company's turnover for the year ended 31st August 2001.

(b) Pursuant to the shareholders' agreement dated 1st March 2000 entered into between the Company and KDDI Corporation, the Company and KDDI Corporation executed a loan facility letter dated 26th June 2000 (the "Facility Letter") in favour of HKBN for an aggregate amount of up to HK\$600 million in proportion to their respective shareholdings in HKBN at an interest rate of 7% per annum repayable in full on 25th June 2003, and HKBN executed a floating charge over all its present and future assets (the "Floating Charge") in favour of the Company and KDDI Corporation as security for the loan facility on 22nd September 2000. The directors believe that the Facility Letter and the Floating Charge have been entered into on normal commercial terms. As at 31st August 2001, the cash advanced by the Company to HKBN under the Facility Letter amounted to HK\$127,500,000.

此外，本公司於二零零一年四月再向香港寬頻墊付212,500,000港元，該筆款項據稱屬於香港寬頻根據融資通知書提用之250,000,000港元貸款中本公司按比例攤佔之一部份，惟其後本公司基於有關款項並未循正當途徑根據融資通知書以貸款形式提用而保留本身之權利，包括撤消該項付款之權利。上述212,500,000港元之款項將維持以應收附屬公司款項形式列入本公司之賬目，直至現有爭議獲得圓滿解決為止。

(c) 於二零零一年三月七日，香港寬頻以總代價9,974,551港元向本公司之全資附屬公司 iChannel.com Limited 購入若干固定資產（「買賣交易」），作為本公司整頓資產之部份安排。董事（包括獨立董事）認為買賣交易乃按正常商業條款進行，而買賣交易之條款對本公司及其股東而言亦屬公平及合理。

(d) 於二零零一年三月三十日，香港寬頻與本公司之全資附屬公司 CTI International Limited（「CTI International」）訂立一項有條件電訊服務協議（「電訊服務協議」）。據此，CTI International 為香港寬頻提供專門互聯網存取服務。於二零零一年四月十七日，香港寬頻與CTI International 訂立一項修訂協議；據此，電訊服務協議之年期由二十六個月縮短為十五個月。於截至二零零一年八月三十一日止年度，香港寬頻根據電訊服務協議須向CTI International 支付之服務費為5,400,000港元，佔本公司於二零零一年八月三十一日之有形資產淨值0.7%。本公司已就上述持續進行之關連交易向香港聯合交易所有限公司申請豁免嚴格遵守上市規則第14章之規定。

In addition, the Company advanced an additional sum of HK\$212,500,000 to HKBN in April 2001 purporting to be the Company's pro rata share of a loan of HK\$250,000,000 drawn down by HKBN under the Facility Letter, in respect of which the Company subsequently reserved its rights including the right to rescind such payment on the basis that the money had not been properly drawn down as a loan under the Facility Letter. The said sum of HK\$212,500,000 will remain included in the accounts of the Company as an amount due from subsidiaries until the present dispute has become resolved.

(c) On 7th March 2001, HKBN purchased various fixed assets from iChannel.com Limited, a wholly-owned subsidiary of the Company, for a total consideration of HK\$9,974,551 (the "Sale and Purchase Transactions") as part of an asset rationalisation exercise of the Company. The directors including independent directors believe that the Sale and Purchase Transactions have been entered into on normal commercial terms and that the terms of the Sale and Purchase Transactions are fair and reasonable as far as the Company and its shareholders are concerned.

(d) On 30th March 2001, HKBN and CTI International Limited ("CTI International"), a wholly-owned subsidiary of the Company entered into a conditional telecommunications service agreement (the "Telecommunications Service Agreement") pursuant to which CTI International provides dedicated internet access services to HKBN. On 17th April 2001, HKBN and CTI International entered into a variation agreement pursuant to which the term of the Telecommunications Service Agreement was reduced from twenty-six months to fifteen months. The service fees payable by HKBN to CTI International pursuant to the Telecommunications Service Agreement for the year ended 31 August 2001 amounted to HK\$5,400,000, representing 0.7% of the Company's net tangible assets as at 31st August 2001. The Company has applied for a waiver by the Stock Exchange of Hong Kong Limited from strict compliance with the requirements of Chapter 14 of the Listing Rules on the above-mentioned continuing connected transactions.

董事報告書**REPORT OF THE DIRECTORS**

獨立非執行董事已檢討此等根據電訊服務協議進行之交易，並確認：

- (i) 此等交易乃於本公司之一般及日常業務中訂立；
- (ii) 此等交易乃按一般商業條款訂立；
- (iii) 此等交易對本公司股東而言乃屬公平合理；及
- (iv) 根據電訊服務協議所須支付費用之總值不超過本公司於二零零一年八月三十一日之有形資產淨值3%。

附註(a)及(b)所述之關連交易同時屬於一項與有關連人士進行之交易，並在賬目附註22及13(b)中披露。

董事於股本或債務證券中之權益

於二零零一年八月三十一日，根據證券(披露權益)條例(「披露權益條例」)第二十九條規定本公司存置之登記冊所記錄或本公司所獲通知，董事及主要行政人員於本公司及其相聯法團(按披露權益條例之涵義)之股份及購股權中擁有如下權益：

The independent non-executive directors have reviewed these transactions carried out under the Service Agreements and confirmed that:

- (i) the transactions were in the ordinary and usual course of business of the Company;
- (ii) the transactions were entered into on normal commercial terms;
- (iii) the transactions were fair and reasonable so far as the shareholders of the Company are concerned; and
- (iv) the aggregate value of the fee payable pursuant to the Service Agreements did not exceed 3% of the Company's net tangible assets as at 31st August 2001.

The connected transactions in notes (a) and (b) also constitutes a related party transaction and are disclosed in notes 22 and 13(b) to the accounts.

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

At 31st August 2001, the interests of the directors and chief executives in the shares and options of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

(a) 本公司每股面值 0.1 港元之普通股(「股份」)

(a) Ordinary shares of HK\$0.1 each of the Company (“Shares”)

	實益持有之股份數目				
	Number of Shares beneficially held				
	個人權益	法團權益	家屬權益	其他權益	合計權益
	Personal interests	Corporate interests	Family interests	Other interests	Total interests
王維基先生					
Mr WONG Wai Kay, Ricky	1,800,000	247,046,000	–	–	248,846,000
		附註 Note			
張子建先生					
Mr CHEUNG Chi Kin, Paul	508,000	246,250,000	–	–	246,758,000
		附註 Note			
莊建俊先生					
Mr CHONG Kin Chun, John	370,000	–	–	–	370,000
蕭詠筠女士					
Ms SIO Veng Kuan, Corinna	1,012,000	–	–	–	1,012,000
馮素梅女士					
Ms FUNG So Mui, Fion	770,000	–	–	–	770,000
杜惠冰女士					
Ms TO Wai Bing	–	–	–	–	–

附註：

王維基先生及張子建先生之公司權益乃透過各自於以下公司之權益產生：

- (i) 王先生及張先生各自持有約 34% 股權之 Top Group International Limited 持有 240,000,000 股股份；
- (ii) 王先生及張先生各自持有 50% 股權之 Global Network Development Limited 持有 6,250,000 股股份；及
- (iii) 王先生及其配偶全資擁有之 Bullion Holdings Limited 持有 796,000 股股份。

除上文所披露者外，董事或主要行政人員(包括彼等之配偶及未滿 18 歲之子女)概無於本公司及其相聯法團之股本中擁有任何須根據披露權益條例予以披露之權益。

Note:

The corporate interests of Mr WONG Wai Kay, Ricky and Mr CHEUNG Chi Kin, Paul arise through their respective interests in the following companies:

- (i) 240,000,000 Shares are held by Top Group International Limited which is owned as to approximately 34 per cent each by Mr Wong and Mr Cheung;
- (ii) 6,250,000 Shares are held by Global Network Development Limited which is owned as to 50 per cent each by Mr Wong and Mr Cheung; and
- (iii) 796,000 Shares are held by Bullion Holdings Limited which is wholly owned by Mr Wong and his spouse.

Save as disclosed above, none of the directors or chief executives (including their spouse and children under 18 years of age) have any interest in the share capital of the Company and its associated corporations required to be disclosed pursuant to the SDI Ordinance.