

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2001.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 18 to the financial statements. Except for the discontinued portal services operation as detailed in note 6 to the financial statements, there were no significant changes in the nature of the Group's principal activities during the year.

Segmental information

An analysis of the Group's turnover and contribution to results by principal activity and geographical area of operations for the year ended 31 December 2001 is set out in note 4 to the financial statements.

Results and dividends

The Group's profit for the year ended 31 December 2001 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 34 to 101.

The directors do not recommend the payment of any dividend in respect of the year.

Summary financial information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on pages 102 to 103. This summary does not form part of the audited financial statements.

董事會謹提呈本公司及本集團截至二零零一年十二月三十一日止年度之董事會報告書及經審核財務報表。

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報表附註18。年內，除按附註6所述終止入門網站服務之業務外，本集團主要業務之性質並無重大變動。

分類資料

本集團截至二零零一年十二月三十一日止年度按主要業務及業務地區劃分之營業額及業績貢獻載於財務報表附註4。

業績及股息

本集團截至二零零一年十二月三十一日止年度內之溢利，以及本公司及本集團於該日之狀況載於財務報表第34頁至第101頁內。

董事會並不建議派發本年度任何股息。

財務資料概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第102頁至第103頁。該概要並非經審核財務報表之組成部分。

Fixed assets

Details of movements in the fixed assets of the Group during the year are set out in note 15 to the financial statements.

Share capital and share options

Details of the Company's share capital and movements in the Company's share options during the year are set out in note 29 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws/articles of association or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements.

Distributable reserves

At 31 December 2001, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$55,942,000. In addition, the Company's share premium account, in the amount of HK\$72,641,000, may be distributed in the form of fully paid bonus shares.

固定資產

本集團固定資產變動詳情載於財務報表附註15內。

股本及購股權

年內本公司股本及購股權變動詳情載於財務報表附註29內。

優先認股權

本公司之公司附例／組織章程或百慕達法例並無關於優先購股權之規定，故本公司毋須向現有股東按持股比例發售新股。

購買、贖回或出售上市證券

本公司或其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

儲備

年內本公司及本集團儲備變動詳情載於財務報表附註30內。

可供分派儲備

於二零零一年十二月三十一日，根據百慕達一九八一年公司法（修訂本）計算，可供分派之本公司儲備為55,942,000港元。此外，本公司股份溢價帳72,641,000港元可以繳足股款紅股方式分派。

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for approximately 32% of the total sales for the year and sales to the largest customer included therein amounted to approximately 16%.

Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

Directors

The directors of the Company during the year were:

Executive directors

Chan Ho Sing

Hui Sing Cheung, Dave

Independent non-executive directors

Li Sau Hung, Eddy

Lo Kwok Kwei, David

Subsequent to the balance sheet date, on 28 March 2002, Hui Sing Cheung, Dave resigned as an executive director and Ho Kwong Kuen, David was appointed as an executive director.

In accordance with clause 87(1) of the Company's bye-laws, Lo Kwok Kwei, David will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

主要客戶及供應商

於回顧年度，對本集團首五大客戶之銷售額佔本集團年內總銷售額約32%，而對其中所包括之最大客戶之銷售額則約達16%。

年內，來自本集團首五大供應商佔本年度總採購額少於30%。

就各董事所知，概無本公司董事、其聯繫人士或董事知悉擁有本公司5%以上已發行股本之股東，於本集團首五大客戶中擁有任何實益權益。

董事

年內之本公司董事為：

執行董事

陳浩成

許承祥

獨立非執行董事

李秀恆

羅國貴

結算日後，於二零零二年三月二十八日，許承祥已辭任執行董事，而同時何廣權獲委任為執行董事。

根據本公司公司附例第87(1)條，羅國貴將於應屆股東週年大會上輪席告退，並願意膺選連任。

Directors' and senior management's biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 18 to 19 of the Annual Report.

Directors' service contracts

Chan Ho Sing entered into a service contract with the Company for a term of three years commencing from 1 January 2000. Hui Sing Cheung, Dave entered into a service contract with the Company for a term of three years commencing from 25 November 1999. The above contracts are subject to termination by either party giving not less than six months' notice, such notice expiring on or at any time after the expiry of the initial term of three years.

Subsequent to the balance sheet date, Hui Sing Cheung, Dave terminated his service contract with the Company on 28 March 2002. Without any claim against the Company whatsoever, whether in respect of fees, remuneration or compensation for loss of office.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' interests in contracts

No director of the Company had a material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事及高級管理人員之履歷

本公司董事及本集團高級管理人員之履歷載於年報第18至19頁。

董事服務合約

陳浩成與本公司已簽訂服務合約，由二零零零年一月一日起為期三年，而許承祥與本公司所簽訂之服務合約，由一九九九年十一月二十五日起為期三年。以上該等服務合約可由合約任何一方作出不少於六個月之通知予以終止，該等通知於最初三年聘用年期屆滿或期後任何時間無效。

結算日後，許承祥於二零零二年三月二十八日與本公司終止其服務合約，亦無就袍金、酬金或離職賠償而向本公司提出索償。

除上文所披露者外，於應屆股東週年大會上擬膺選連任之董事，概無與本公司訂立任何不可於一年內由本公司終止而毋須作賠償（除法定賠償外）之服務合約。

董事之合約權益

本公司各董事概無於本公司、其控股公司或附屬公司在年內所訂立並對本集團業務影響重大之任何合約中直接或間接擁有重要實質權益。

Directors' interests in shares

At 31 December 2001, the interests of the directors and their associates in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Ordinary shares of the Company

Name of director 董事姓名			Number of shares and nature of interest 股份數目及權益性質		
			Nature of interest 權益性質	Number of shares held 持股數量	Number of share options 購股權數目
Chan Ho Sing 陳浩成	Note 1 附註1	Family 家族	179,734,000	—	
Chan Ho Sing 陳浩成	Note 2 附註2	Family 家族	—	5,500,000	
Chan Ho Sing 陳浩成		Personal 個人	—	17,500,000	
Hui Sing Cheung, Dave 許承祥		Personal 個人	300,000	2,000,000	

Note 1: These shares are owned by Man Yue Holdings Inc., a company incorporated in the Bahamas, the entire issued share capital of which is ultimately beneficially owned by the family trust of Chan Ho Sing.

Note 2: The family interests represent share options held by Kee Chor Lin, the spouse of Chan Ho Sing.

In addition to the above, Chan Ho Sing has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

董事之股份權益

於二零零一年十二月三十一日，就本公司根據證券（披露權益）條例（「披露權益條例」）第29條規定而存置之登記冊所記錄，各董事及其聯繫人士於本公司或其聯營公司股本之權益如下：

本公司普通股

Number of shares and nature of interest 股份數目及權益性質	
Nature of interest 權益性質	Number of shares held 持股數量
Family 家族	179,734,000
Family 家族	—
Personal 個人	—
Personal 個人	300,000

附註1：該等股份為由Man Yue Holdings Inc.（一間於巴哈馬註冊成立之公司）擁有；其全部已發行股本乃由陳浩成家族信託基金實益擁有。

附註2：該家族權益為陳浩成之配偶紀楚蓮所持有之購股權。

除此之外，陳浩成為本公司利益，以非實益個人股本權益方式持有若干附屬公司，目的僅為符合最低公司股東人數。

Directors' interests in shares (continued)

Save as disclosed above and as disclosed under the heading "Directors' rights to acquire shares", none of the directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

Directors' rights to acquire shares

Apart from as disclosed under the headings "Directors' interests in shares" above and "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. On 13 February 1997, the Company approved the Scheme under which the board of directors of the Company may, at their discretion, invite any executive director or employee (excluding independent non-executive directors) of the Group to take up options to subscribe for share of the Company at any time during the ten years from the date of approval.

The subscription price is determined by the directors and is the higher of a price not less than 80% of the average closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five trading days immediately preceding the date of grant of the option or the nominal value of the shares.

董事之股份權益 (續)

除上文所述者，以及「董事購買股份之權利」一節所披露者外，各董事或彼等之聯繫人士概無於本公司或任何其聯營公司（定義見披露權益條例）之股本或債務證券中擁有任何個人、家族、公司或其他權益。

董事購買股份之權利

除上文「董事之股份權益」及下文「購股權計劃」所披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，致使本公司董事、彼等各自之配偶或十八歲以下之子女可藉購入本公司或任何其他法人團體之證券而獲益。

購股權計劃

本公司設立一項購股權計劃（「該計劃」），以向曾對本集團營運作出貢獻之合資格參與者提供獎勵及回報。一九九七年二月十三日，本公司批准該計劃，據此，本公司董事會可於批准日期起計十年內任何時間酌情決定邀請本集團任何執行董事或僱員（獨立非執行董事除外）接納認購本公司股份之購股權。

認購價由董事釐定，為不低於購股權授出日期前五個交易日本公司股份在香港聯合交易所有限公司（「聯交所」）之平均收市價80%之價格或股份面值（以較高者為準）。

Share option scheme (continued)

The maximum number of shares on which options may be granted under the Scheme may not exceed 10% of the ordinary share capital of the Company in issue from time to time.

The offer of a grant of share options may be accepted within 40 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

The Stock Exchange has introduced a number of changes to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") on share option schemes. These new rules came into effect on 1 September 2001. No share options have been granted under the Scheme since 5 June 2000. However, any option to be granted under the Scheme shall be subject to the new rules which include, inter alia, the following:—

- (a) the maximum number of shares issuable under the share option to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting;
- (b) share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive directors; and
- (c) the exercise price of share options is determined by directors, but may not be less than the higher of: (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant.

購股權計劃 (續)

根據該計劃所授購股權所涉之最高股數不得超過本公司不時已發行之普通股股本10%。

購股權可於授出日期起計40日內接納，而承授人於接納時須支付象徵代價合共1港元。

聯交所對有關購股權之證券上市規則（「上市規則」）作出多項變動。該等變動於二零零一年九月一日起生效。自二零零零年六月五日以來，並無根據該計劃授出任何購股權。然而，根據該計劃將授出之任何購股權須作出下列新變動：

- (a) 各合資格參與者根據購股權於任何十二個月內可獲發行之股份最高數目將以任何時間已發行股份之1%為限。再行授出超過有關上限之購股權須事先獲股東於股東大會批准；
- (b) 向董事、主要行政人員、主要股東，或彼等之任何聯繫人士授出之購股權須獲獨立非執行董事事先批准；及
- (c) 行使價由董事釐定，為不低於：(i)購股權授出日期股份在聯交所之收市價；及(ii)購股權授出日期前五個交易日股份在聯交所之平均收市價（以較高者為準）。

Share option scheme (continued)

The Company shall amend, in due course, the terms of the Scheme to comply with the requirements of the amended Listing Rules on share option schemes.

The following share options were outstanding under the Scheme during the year:

購股權計劃 (續)

本公司將於適當時間修訂該計劃之條款，以符合有關購股權計劃之經修訂上市規則之規定。

年內，根據該計劃之未行使購股權如下：

Name or category of participant	Number of share options 購股權數目				Date of grant of share options	Exercise period of share options	Exercise price of share options*	Price of Company's shares** 本公司股份價格**	
	At 1 January 2001 於二零零一年一月一日	Granted/ (Exercised) during the year 年內授出/ (行使)	Lapsed/ Cancelled during the year 年內失效/ 註銷	At 31 December 2001 於二零零一年十二月三十一日				At grant date of options 於授出日期	At exercise date of options 於行使購股權日期
Directors 董事									
Chan Ho Sing 陳浩成	11,000,000	—	—	11,000,000	30.12.1997 一九九七年十二月三十日	30.12.1997 to 12.2.2007 一九九七年十二月三十日至二零零七年二月十二日	0.7856	1.02	—
	12,000,000	—	—	12,000,000	5.6.2000 二零零零年六月五日	5.6.2000 to 12.2.2007 二零零零年六月五日至二零零七年二月十二日	0.432	0.60	—
	23,000,000	—	—	23,000,000					
Hui Sing Cheung, Dave 許承祥	2,000,000	—	—	2,000,000	21.1.2000 二零零零年一月二十一日	21.1.2000 to 12.2.2007 二零零零年一月二十一日至二零零七年二月十二日	0.3192	0.39	—
	2,000,000	—	—	2,000,000					
Other employees 其他僱員									
In aggregate 合共	4,500,000	—	(500,000)	4,000,000	30.12.1997 一九九七年十二月三十日	30.12.1997 to 12.2.2007 一九九七年十二月三十日至二零零七年二月十二日	0.7856	1.02	—
In aggregate 合共	880,000	—	—	880,000	21.1.2000 二零零零年一月二十一日	21.1.2000 to 12.2.2007 二零零零年一月二十一日至二零零七年二月十二日	0.3192	0.39	—
In aggregate 合共	4,820,000	—	(1,100,000)	3,720,000	5.6.2000 二零零零年六月五日	5.6.2000 to 12.2.2007 二零零零年六月五日至二零零七年二月十二日	0.432	0.60	—
	10,200,000	—	(1,600,000)	8,600,000					
	<u>35,200,000</u>	<u>—</u>	<u>(1,600,000)</u>	<u>33,600,000</u>					

Share option scheme (continued)

- * The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- ** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.

Due to the resignation of Hui Sing Cheung, Dave on 28 March 2002, a total of 2,000,000 share options granted to him on 21 January 2000 were lapsed on 28 March 2002.

Summary details of the Company's share option scheme are also set out in note 29 to the financial statements.

The financial impact of share 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 share 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. Options which are cancelled prior to their exercise date are deleted from the register of outstanding options.

購股權計劃 (續)

- * 購股權行使價或會因供股、紅利發行，或本公司股本之其他類似變動而作出調整。
- ** 於授出購股權當日所披露之本公司股份價格乃授出購股權當日前一個交易日在聯交所之收市價，而於行使購股權當日所披露之本公司股份價格則為所披露同類已行使之購股權在聯交所之加權平均收市價。

由於許承祥於二零零二年三月二十八日辭任，故此於二零零零年一月二十一日向其授出之2,000,000份購股權已於二零零二年三月二十八日失效。

本公司購股權計劃之詳情概要載於財務報表附註29。

授出購股權所引致之財務影響並無在本公司或本集團之資產負債表呈列，惟行使有關購股後，且並無將成本計入損益表或資產負債表時，方會呈列。行使購股權而發行之股份按股份面值列作本公司之額外股本，而每股行使價高於股份面值之差額則計入本公司之股份溢價帳。於行使前已註銷之購股權會自尚未行使之購股權紀錄內刪除。

Substantial shareholders

At 31 December 2001, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name of shareholder	股東名稱	Number of shares held 持股數量	Interest % 權益百分比
Man Yue Holdings Inc. (Note)	Man Yue Holdings Inc. (附註)	179,734,000	48
Chan Ho Sing	陳浩成	179,734,000	48
Li Tung Lok	李同樂	47,760,000	13

Note: Man Yue Holdings Inc. is ultimately beneficially owned by the family trust of Chan Ho Sing. The interests disclosed under Chan Ho Sing represent his deemed interests in the shares of the Company by virtue of his interests in Man Yue Holdings Inc. and have been disclosed under the heading "Directors' interests in shares" above.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

主要股東

於二零零一年十二月三十一日，就本公司根據披露權益條例第16(1)條規定而存置之登記冊記錄，持有本公司股本10%或以上權益之人士如下：

Name of shareholder	股東名稱	Number of shares held 持股數量	Interest % 權益百分比
Man Yue Holdings Inc. (Note)	Man Yue Holdings Inc. (附註)	179,734,000	48
Chan Ho Sing	陳浩成	179,734,000	48
Li Tung Lok	李同樂	47,760,000	13

附註：Man Yue Holdings Inc. 由陳浩成之家族信託基金最終實益擁有。陳浩成所披露之權益乃指其憑藉於Man Yue Holdings Inc. 之權益而被視作持有之本公司股份權益，並已於上文「董事之股份權益」一節中予以披露。

除上述所披露者及已於上文「董事之股份權益」一節所載之董事權益外，並無任何人士根據披露權益條例第16(1)節登記所持本公司股本權益。

Connected transactions

During the year, connected transactions entered into by the Group are set out in note 35(b) to the financial statements under the heading of "Related party transactions".

Audit committee

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the two independent non-executive directors of the Company.

Code of best practice

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Listing Rules of the Stock Exchange, throughout the accounting year ended 31 December 2001, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's by-laws.

關連交易

本集團之關連人士交易詳情載於財務報表附註35(b)「關連人士交易」內。

審核委員會

本公司根據最佳應用守則之規定成立審核委員會，負責審閱及監察本集團之財務申報程序及內部監控。該委員會由兩位獨立非執行董事組成。

遵守最佳應用守則

董事認為，本公司於截至二零零一年十二月三十一日止年度內一直遵照聯交所上市規則附錄14所載之最佳應用守則（「守則」），根據守則第7段之規定，獨立非執行董事的委任並無特定任期，並須依據本公司之公司細則於股東週年大會上輪席告退及膺選連任。

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chan Ho Sing

Chairman

Hong Kong

25 April 2002

核數師

安永會計師事務所已任滿告退，而重新委任彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會

主席

陳浩成

香港

二零零二年四月二十五日