

# Directors' Report

# 董事會 報告書

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31st March, 2003.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 15 to the financial statements.

## RESULTS

The Group's loss for the year ended 31st March, 2003 is set out in the consolidated income statement on page 47.

## SHARE CAPITAL

Details of movements in the Company's share capital are set out in note 24 to the financial statements.

## DISTRIBUTABLE RESERVES

In the opinion of the directors, the Company has no reserves available for distribution to its shareholders.

However, pursuant to the Companies Act 1981 of Bermuda, the Company's share premium account of HK\$675,784,000 as at 31st March, 2003 can be distributed in the form of fully paid bonus shares.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2003, the largest customer of the Group by itself and together with the next four largest customers accounted for 24% and 39%, respectively, of the Group's turnover. The aggregate purchase contributed to the Group's five largest suppliers were less than 30% of the Group's cost of sales.

董事會欣然呈報其報告書及截至二零零三年三月三十一日止年度之經審核財務報告。

## 主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於財務報告附註15。

## 業績

本集團截至二零零三年三月三十一日止年度之虧損載於第四十七頁之綜合收益報表。

## 股本

本公司股本之變動詳情載於財務報告附註24。

## 可供分派儲備

董事認為，本公司並無可供分派予其股東之儲備。

然而，根據百慕達一九八一年公司法，本公司於二零零三年三月三十一日之股份溢價賬為港幣675,784,000元可以繳足紅股方式分派。

## 物業、機器及設備

本集團之物業、機器及設備於年內之變動詳情載於財務報告附註13。

## 主要客戶及供應商

截至二零零三年三月三十一日止年度，本集團最大連同另外四名最大客戶分別佔本集團營業額之24%及39%。本集團五大供應商共佔本集團之銷售成本不足30%。

## Directors' Report

## 董事會報告書

As far as the directors are aware, neither the directors, their associates, nor those shareholders which to the knowledge of the directors own more than 5% in the Company's share capital had any interest in the five largest customers described above.

就董事會所知，各董事、彼等之聯繫人士及就董事會所知擁有本公司股本5%以上之股東概無擁有上述五大客戶之任何權益。

### DIRECTORS

The directors of the Company in office during the year and up to the date of this report are as follows:

#### Executive Directors:

Yang Lan  
 Duan Yongji  
 Wu Zheng, Bruno (appointed on 12th April, 2002)  
 (alternate director to Mr. Chen Han Yuan and resigned on 9th August, 2002)  
 Chen Han Yuan  
 Chen Xiaotao  
 Li John Zongyang (appointed on 22nd July, 2002)  
 Xu Zhongmin (appointed on 22nd July, 2002)  
 Lin Ning (appointed on 5th December, 2002)  
 Wu Chien-Chiang (appointed on 5th December, 2002)  
 Chow Siu Lam, Cliff (resigned on 12th April, 2002)  
 Chao Guowei, Charles (resigned on 6th December, 2002)  
 Mao Daolin (resigned on 16th May, 2003)

#### Non-executive Director:

Tsui Tsin Tong (appointed on 9th December, 2002)

#### Independent Non-executive Directors:

Yan Tat Wah, Joseph  
 Yuen Kon Ming, Jason

### 董事

於年內及截至本年報日期在任之本公司董事如下：

#### 執行董事：

楊瀾  
 段永基  
 吳征 (於二零零二年四月十二日獲委任)  
 (陳漢元先生之替代董事及  
 於二零零二年八月九日辭任)  
 陳漢元  
 陳曉濤  
 李宗揚 (於二零零二年七月二十二日獲委任)  
 許鐘民 (於二零零二年七月二十二日獲委任)  
 林寧 (於二零零二年十二月五日獲委任)  
 吳健強 (於二零零二年十二月五日獲委任)  
 周少霖 (於二零零二年四月十二日辭任)  
 曹國偉 (於二零零二年十二月六日辭任)  
 茅道臨 (於二零零三年五月十六日辭任)

#### 非執行董事：

徐展堂 (於二零零二年十二月九日獲委任)

#### 獨立非執行董事：

甄達華  
 袁幹明

In accordance with the Company's Bye-laws, Messrs. Lin Ning, Wu Chien-Chiang and Tsui Tsin Tong could only hold their office as directors of the Company until the forthcoming annual general meeting while Messrs. Duan Yongji, Yan Tat Wah, Joseph, Yuen Kon Ming, Jason and Chen Han Yuan shall retire by rotation at the forthcoming annual general meeting. These directors, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All existing non-executive directors have been appointed for a term of one year and are subject to re-appointment upon expiration of that period.

#### **DIRECTORS' SERVICE CONTRACTS**

No director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

根據本公司之公司細則，林寧先生、吳健強先生及徐展堂先生擔任本公司董事之任期直至應屆股東週年大會，而段永基先生、甄達華先生、袁幹明先生及陳漢元先生將於應屆股東週年大會上依章退任。此等董事均符合資格並願於應屆股東週年大會上膺選連任。

所有現任非執行董事之任期為一年，將於任期屆滿後有待續聘。

#### **董事之服務合約**

在應屆股東週年大會上獲提名連任之董事，均無與本公司或其任何附屬公司訂立任何本集團不可在一年內免付賠償（法定賠償除外）予以終止之服務合約。

**DIRECTORS' INTERESTS IN SECURITIES****1. Interests in shares**

Details of the interests of the directors and their respective associates in the shares in the Company and its associated corporations as at 31st March, 2003 as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were as follows:

**董事所擁有之證券權益****1. 股份權益**

於二零零三年三月三十一日，根據香港證券(披露權益)條例(「披露權益條例」)第29條本公司存置之登記冊所載或根據須知會本公司及香港聯合交易所有限公司(「聯交所」)之規定，各董事及彼等各自之聯繫人士分別擁有之本公司及其聯營公司之股份權益如下：

**Number of shares beneficially held**  
**實益持有之股份數目**

Director	董事	Notes 附註	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益	Total interests 總計
Yang Lan	楊瀾	(1)	125,940,000	30,000,000	300,000,000	-	455,940,000
Wu Zheng, Bruno	吳征	(1)	30,000,000	425,940,000	-	-	455,940,000
Li John Zongyang	李宗揚		20,000,000	-	-	-	20,000,000
Xu Zhongmin	許鐘民	(2)	240,825,688	-	-	60,000,000	300,825,688
Wu Chien-Chiang	吳健強		100,000,000	-	-	-	100,000,000

Notes:

- (1) 125,940,000 and 300,000,000 shares are held by Ms. Yang Lan and Excel Asia Profits Limited ("Excel Asia") in which Ms. Yang Lan has 80% beneficial interests, respectively.

30,000,000 shares are held by Dr. Wu Zheng, Bruno, who is the spouse of Ms. Yang Lan.

Therefore, Dr. Wu Zheng, Bruno and Ms. Yang Lan are deemed to be interested in 455,940,000 shares in the Company.

- (2) Mr. Xu Zhongmin has 20% beneficial interests in Excel Asia and accordingly, is deemed to be interested in 60,000,000 shares held by Excel Asia.

附註：

- (1) 125,940,000股份及300,000,000股股份乃分別由楊瀾女士及Excel Asia Profits Limited(「Excel Asia」)持有，Excel Asia乃由楊瀾女士擁有80%實益權益之公司。

30,000,000股股份乃由吳征博士(楊瀾女士之配偶)持有。

因此，吳征博士及楊瀾女士被視作擁有本公司455,940,000股股份之權益。

- (2) 許鐘民先生持有Excel Asia之20%實益權益，故被視作持有由Excel Asia所持的其中60,000,000股股份之權益。

## Directors' Report

## 董事會報告書

Save as disclosed above, as at 31st March, 2003, 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.

## 2. Rights to acquire shares

Pursuant to the Company's share option scheme, details of the movements in the share options to subscribe for shares of HK\$0.02 each in the Company granted to certain directors for the year ended 31st March, 2003 were as follows:

除上文所披露者外，於二零零三年三月三十一日，各董事或彼等之聯繫人士於本公司或其任何聯營公司（定義見披露權益條例）之股本或債務證券中，並無擁有任何個人、家族、公司或其他權益。

## 2. 購買股份之權利

根據本公司之購股權計劃，於截至二零零三年三月三十一日止年度向若干董事授出可認購本公司每股面值港幣0.02元股份之購股權之變動詳情如下：

Director 董事	Exercisable period 可行使期間	Exercise price 行使價 HK\$ 港幣	Notes 附註	Date of options granted 購股權 授出日期	Number of options 購股權數目			
					Outstanding at 1.4.2002 於二零零二年 四月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Outstanding at 31.3.2003 於二零零三年 三月三十一日 尚未行使
Yang Lan 楊瀾	27.4.2000 – 26.4.2010	0.176		27.4.2000	37,000,000	–	–	37,000,000
	31.1.2001 – 30.1.2011	0.152		31.1.2001	80,000,000	–	–	80,000,000
	4.1.2002 – 3.1.2012	0.109		4.1.2002	30,000,000	–	–	30,000,000
	8.8.2002 – 7.8.2012	0.072	(1)	8.8.2002	–	30,000,000	(30,000,000)	–
Wu Zheng, Bruno 吳征	5.9.2000 – 4.9.2010	0.241		5.9.2000	30,000,000	–	–	30,000,000
	31.1.2001 – 30.1.2011	0.152		31.1.2001	80,000,000	–	–	80,000,000
	8.8.2002 – 7.8.2012	0.072	(1)	8.8.2002	–	30,000,000	(30,000,000)	–
Duan Yongji 段永基	4.1.2002 – 3.1.2012	0.109		4.1.2002	40,000,000	–	–	40,000,000
	16.9.2002 – 15.9.2012	0.071	(2)	16.9.2002	–	10,000,000	–	10,000,000
Chen Han Yuan 陳漢元	27.4.2000 – 26.4.2010	0.176		27.4.2000	1,000,000	–	–	1,000,000
	31.1.2001 – 30.1.2011	0.152		31.1.2001	1,000,000	–	–	1,000,000
	14.6.2001 – 13.6.2011	0.129		14.6.2001	1,000,000	–	–	1,000,000
	8.8.2002 – 7.8.2012	0.072	(1)	8.8.2002	–	3,000,000	–	3,000,000
Chen Xiaotao 陳曉濤	7.1.2002 – 6.1.2012	0.114		7.1.2002	15,000,000	–	–	15,000,000
	16.9.2002 – 15.9.2012	0.071	(2)	16.9.2002	–	10,000,000	–	10,000,000
Chow Siu Lam, Cliff 周少霖	7.1.2002 – 6.1.2012	0.114	(3)	7.1.2002	10,000,000	–	(10,000,000)	–
Li John Zongyang 李宗揚	8.8.2002 – 7.8.2012	0.072	(1)	8.8.2002	–	20,000,000	(20,000,000)	–
	16.9.2002 – 15.9.2012	0.071	(2)	16.9.2002	–	10,000,000	–	10,000,000
Xu Zhongmin 許鐘民	16.9.2002 – 15.9.2012	0.071	(2)	16.9.2002	–	30,000,000	–	30,000,000
Wu Chien-Chiang 吳健強	16.9.2002 – 15.9.2012	0.071	(2)	16.9.2002	–	15,000,000	–	15,000,000
Lin Ning 林寧	8.8.2002 – 7.8.2012	0.072	(1)	8.8.2002	–	8,000,000	–	8,000,000
					<u>325,000,000</u>	<u>166,000,000</u>	<u>(90,000,000)</u>	<u>401,000,000</u>

## Directors' Report

## 董事會報告書

### Notes:

- (1) The closing price of the Company's shares immediately before the date of grant was HK\$0.061.
- (2) The closing price of the Company's shares immediately before the date of grant was HK\$0.070.
- (3) The interests disclosed for Mr. Chow Siu Lam, Cliff, represented his interests at the date of his resignation as director of the Company on 12th April, 2002 but Mr. Chow remained as the Chief Financial Officer of the Group. The options granted were fully exercised subsequently.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or the spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, or had exercised such rights.

### SHARE OPTION SCHEME

Particulars of the Company's share option scheme and details of movements in the Company's share options during the year to subscribe for shares of HK\$0.02 each in the Company granted under the share option scheme are set out in note 33 to the financial statements.

As disclosed in note 33 to the financial statements, the Company had granted a total number of 231,000,000 options during the year. The fair value of the options granted totalled HK\$10,990,000. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

- (1) an expected volatility of 52%;
- (2) no annual dividends; and

### 附註：

- (1) 本公司股份於緊接授出日期前之收市價為港幣0.061元。
- (2) 本公司股份於緊接授出日期前之收市價為港幣0.070元。
- (3) 就周少霖先生所披露之權益指其於二零零二年四月十二日辭任本公司董事當日所擁有之權益，惟周先生留任本集團之財務總裁。所授出購股權隨後已被悉數行使。

除上文所披露者外，於年內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使本公司董事或主要行政人員或配偶或未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債券而獲益或曾行使該等權利。

### 購股權計劃

本公司購股權計劃之詳細資料及根據購股權計劃授出可認購本公司每股面值港幣0.02元之股份之本公司購股權於年內之變動詳情載列於財務報告附註33。

如財務報告附註33所披露，本公司於年內授出總數231,000,000份購股權。授出購股權之公平值合共為港幣10,990,000元。本公司使用「柏加克一舒爾斯期權定價模式(Black-Scholes option pricing model)」根據下列重大假設計算公平值：

- (1) 預期波幅52%；
- (2) 並無任何年度股息；及

(3) the estimated expected life of the options granted during the year is ten years. The corresponding ten-year Hong Kong Exchange Fund Notes interest rate at the date of the options granted was ranged between 4.18% and 4.44%.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, which can materially affect the fair value estimate. Thus, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

For the purpose of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited, due to lack of historical data.

No charge is recognised in the income statement in respect of value of options granted during the year.

#### **DIRECTORS' INTEREST IN CONTRACTS AND CONNECTED TRANSACTIONS**

- (a) The Group received management fees income of HK\$103,000 from Sun Stone Media Group Limited in which Ms. Yang Lan and Dr. Wu Zheng, Bruno, directors of the Company, had beneficial interests.
- (b) The Group purchased from Sun Stone Media Group Limited and sold to its subsidiary certain property, plant and equipment of HK\$136,000 and HK\$526,000, respectively. The property, plant and equipment were transferred at their net book values.
- (c) The Group purchased programme rights of HK\$438,000 and property, plant and equipment of HK\$548,000 from 秋航傳播事業有限公司, in which Mr. Wu Chien-Chiang, a director of the Company, has a beneficial interest.

(3) 年內授出之購股權之估計年期為十年。於購股權授出日期，十年期外匯基金票據之息率介乎4.18%至4.44%。

使用柏加克－舒爾斯期權定價模式須作出非常主觀之假設，包括可對估計公平值構成重大影響之股價波幅。因此，董事認為，現有模式未必是計算購股權公平值之單一可靠方法。

就計算公平價值而言，由於缺乏歷史數據，故並無就預期將予沒收之購股權作出任何調整。

並無就年內授出之購股權價值在收益報表中確認任何支出。

#### **董事所擁有之合約權益及關連交易**

- (a) 本集團從Sun Stone Media Group Limited(本公司董事楊瀾女士及吳征博士曾擁有實益權益之公司)收取之管理費收入為港幣103,000元。
- (b) 本集團從Sun Stone Media Group Limited購買及向其附屬公司出售若干物業、機器及設備分別為港幣136,000元及為港幣526,000元。有關之物業、機器及設備按其賬面淨值轉讓。
- (c) 本集團從秋航傳播事業有限公司(本公司董事吳健強先生擁有實益權益之公司)購買價值為港幣438,000元之節目播映權及價值港幣548,000元之物業、機器及設備。

## Directors' Report

## 董事會報告書

(d) The Group received sponsorship income for a promotion program of HK\$780,000 from SINA Corporation (formerly known as SINA.com), a substantial shareholder of the Company.

(d) 本集團從本公司主要股東 SINA Corporation (前稱 SINA.com) 收取一個推廣節目之贊助收入港幣 780,000 元。

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, where directly or indirectly, subsisted at 31st March, 2003 or at any time during the year.

除上文所披露者外，本公司董事於本公司或其任何附屬公司於二零零三年三月三十一日或年內任何時間仍然生效且對本公司或其任何附屬公司業務有重大影響之重大合約中，並無擁有任何重大權益。

### SUBSTANTIAL SHAREHOLDERS

At 31st March, 2003, the register of substantial shareholders maintained under section 16(1) of the SDI Ordinance shows that the following shareholder had an interest of 10% or more in the issued share capital of the Company:

### 主要股東

於二零零三年三月三十一日，按本公司根據披露權益條例第16(1)條存置之主要股東名冊所示，下列股東持有本公司已發行股本10%或以上之權益：

Name 名稱	Number of Shares beneficially held 實益持有之股份數目	Percentage of holding 持股百分比
SINA Corporation (formerly known as SINA.com) (前稱 SINA.com)	2,028,122,000	14.74%

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### 優先購買權

本公司之公司細則或百慕達(即本公司註冊成立之司法權區)法例並無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

### PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has repurchased or sold listed securities of the Company during the year.

### 買賣或贖回上市證券

本公司於年內並無贖回其任何上市證券。本公司及其任何附屬公司於年內亦無購回或出售本公司任何上市證券。



**POST BALANCE SHEET EVENTS**

Details of significant post balance sheet events are set out in note 37 to the financial statements.

**CORPORATE GOVERNANCE**

The Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

**AUDITORS**

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

On behalf of the Board

**Wu Zheng, Bruno**

*Director & Group Chief Executive Officer*

Hong Kong, 10th June, 2003

**結算日後事項**

重大結算日後事項之詳情載於財務報告附註37。

**公司管治**

本公司於截至二零零三年三月三十一日止整個年度一直遵守聯交所證券上市規則附錄14所載之最佳應用守則。

**核數師**

本公司將於應屆股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

**吳征**

*董事兼集團行政總裁*

香港，二零零三年六月十日