



# Report of the Directors

## 董事報告

The directors submit their report together with the audited accounts for the year ended 31st December 2003.

董事謹提呈彼等之報告及截至二零零三年十二月三十一日止年度之經審核賬目。

### **Principal activities and geographical analysis of operations**

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 34 to the accounts.

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

### **Results and dividends**

The results of the Group for the year are set out in the consolidated profit and loss account on page 64.

The directors do not recommend the payment of a dividend.

### **主要業務及經營之地區分析**

本公司之主要業務為控股投資。各附屬公司之業務已載列於賬目附註34。

本集團於本年度按業務及地區劃分之業績分析載列於賬目附註3。

### **業績及股息**

本集團於本年度之業績載列於第64頁之綜合損益表。

董事不建議派發股息。

## Five year financial summary

The consolidated results, and assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, are summarised below:

## 五年之財政摘要

經適當重列與重新分類後，本集團過去五個財政年度之綜合業績與資產及負債概述如下：

### Results

### 業績

		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 (Restated) 千港元 (重新列帳)	1999 HK\$'000 (Restated) 千港元 (重新列帳)
Turnover	營業額	73,252	49,879	65,048	43,715	280,763
Loss before taxation	除稅前之虧損	(138,100)	(137,153)	(34,513)	(197,138)	(495,108)
Taxation	稅項	-	-	-	-	-
Minority interests	少數股東權益	3,847	943	2,741	2,133	-
Preference dividends	優先股股息	(5,812)	(6,089)	(9,601)	(8,283)	(3,627)
Loss attributable to ordinary shareholders	普通股股東應佔虧損	(140,065)	(142,299)	(41,373)	(203,288)	(498,735)
Assets and liabilities	資產及負債					
Fixed assets	固定資產	61,768	65,073	72,143	24,061	30,254
Intangible assets	無形資產	27,752	37,911	18,961	26,445	98,745
Investments	投資	7,717	29,337	55,280	35,000	3,609
Other non-current assets	其他非流動資產	-	47,425	62,288	64,922	80,914
Net current assets	流動資產淨額	48,530	51,028	128,574	151,783	80,796
		145,767	230,774	337,246	302,211	294,318
Shareholders' equity	股東權益	27,388	108,664	214,193	176,417	166,263
Minority interests	少數股東權益	118,263	122,110	123,053	125,794	128,055
Long-term liabilities	長期負債	116	-	-	-	-
		145,767	230,774	337,246	302,211	294,318

### Five year financial summary (Continued)

The loss attributable to ordinary shareholders for each of the two years ended 31st December 2000 and 1999 and the shareholders' equity as at the respective balance sheet dates have been restated as a result of the revision in the accounting policies due to the change in accounting standards for intangible assets on the adoption of SSAP 29 by the Group in 2001.

### Fixed assets

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

### Share capital

Details of the movements in the share capital of the Company are set out in note 24 to the accounts.

### Share options

Pursuant to a ten-year share option scheme of the Company adopted on 12th May 1999 ("Old Scheme"), the board of directors of the Company may grant options to eligible employees of the Group, including executive directors, to subscribe for shares in the Company. The subscription price is the higher of the nominal value of the Company's shares and 80% of the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited ("SEHK") for the five trading days immediately preceding the offer of the option. The maximum number of shares in respect of which options may be granted under the scheme is limited to 10% of the number of issued shares of the Company from time to time. In addition, no eligible employee may be granted an option or options which the number of options would exceed 25% of the aggregate number of total options granted from time to time.

On 23rd August 2001, SEHK announced amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), which came into effect on 1st September 2001. Under the transitional arrangements stipulated in the amended Chapter 17 of the Listing Rules, options already granted before 1st September 2001 are not affected by the amended rules and the Group may have to alter the terms of the existing share option scheme, or adopt a new share option scheme before further options could be granted. In order to comply with the amendments to the Listing Rules and the announcement of the SEHK, the Company terminated the Old Scheme and adopted a new share option scheme ("New Scheme") at a Special General Meeting held on 26th June 2002 ("SGM").

### 五年之財政摘要 (續)

截至二零零零年及一九九九年十二月三十一日止兩個年度之普通股股東應佔虧損，以及於各結算日之股東權益均由於本集團於二零零一年採用會計準則第29號致令無形資產之會計政策出現變動而重新列賬。

### 固定資產

本集團及本公司固定資產之變動詳情分別載列於賬目附註12。

### 股本

本公司之股本變動詳情載列於賬目附註24。

### 購股權

根據本公司於一九九九年五月十二日採納之十年購股權計劃（「舊計劃」），本公司董事會可向本集團之合資格僱員（包括執行董事）授出可認購本公司股份之購股權。認購價為本公司股份之面值及緊接購股權授出日期前五個交易日本公司股份於香港聯合交易所有限公司（「香港聯交所」）之平均收市價之80%之較高者為準。根據該計劃可能授出之購股權所涉及之股份數目上限，不得超過本公司不時發行股份總數之10%。此外，合資格僱員獲授之一項購股權或多項購股權不得超過不時授出之全部購股權總額之25%。

於二零零一年八月二十三日，香港聯交所宣佈修訂香港聯合交易所有限公司證券上市規則（「上市規則」）第17章，於二零零一年九月一日開始生效。根據經修訂上市規則第17章規定之過渡安排，已於二零零一年九月一日前授出之購股權不受經修訂規則影響，及在進一步授出購股權之前，本集團可能需更改現有購股權計劃之條款，或採納新購股權計劃。為遵守上市規則之修訂及香港聯交所之宣佈，本公司已於二零零二年六月二十六日召開之特別股東大會（「特別股東大會」）上終止舊計劃並採納新購股權計劃（「新計劃」）。



### Share options (Continued)

The purpose of the New Scheme is to recognise and acknowledge the contributions of the Qualified Persons (as defined in the New Scheme, including but not limited to the directors, the employees, partners, associates and etc. of the Group and its shareholders) to the Group. Pursuant to this ten-year New Scheme, the Company can grant options to Qualified Persons for a consideration of HK\$1.00 for each grant payable by the Qualified Persons to the Company. The total number of the shares issued and to be issued upon exercise of options granted to each Qualified Person (including both exercised, cancelled and outstanding options) in any twelve-month period shall not exceed 1% of the shares then in issue. Subscription price in relation to each option pursuant to the New Scheme shall be not less than the higher of (i) the closing price of the shares as stated in the SEHK's daily quotation sheets on the date on which the option is offered to an Qualified Person; (ii) the average of the closing prices of the shares as stated in the SEHK's daily quotation sheets for the five trading days immediately preceding the date of offer, or (iii) the nominal value of the shares. There shall be no minimum holding period for the vesting or exercise of the options and the options are exercisable within the option period as determined by the board of directors of the Company.

During the year, 37,480,000 (2002: 14,575,000) share options were granted under the New Scheme. As of 31st December 2003 and of 27th April 2004, the Company can still grant up to 193,482 share options without refreshing the limit pursuant to the New Scheme, representing 0.04% of the issued share capital as at the year-end date.

During the year, 8,200,000 (2002: 10,334,000) share options lapsed upon the end of the exercise period and no (2002: 2,500,000) share options were cancelled.

The exercise in full of all the outstanding share options as at 31 December 2003, under the capital structure of the Company, would result in the issue of an additional 52,055,000 (2002: 22,775,000) ordinary shares, representing approximately 11.52% of the issued share capital as at the year-end date. Details of the share options are described below:

### 購股權 (續)

新計劃之目的為表彰及感謝合資格人士（定義見新計劃，包括但不限於本集團董事、僱員、合夥人、聯繫人士等及其股東）之貢獻。根據該十年新計劃，本公司可向合資格人士授出購股權，每份購股權之代價為1.00港元，由合資格人士支付予本公司。於任何十二個月期間，在授予各合資格人士之購股權（包括已行使、註銷及尚未行使之購股權）獲行使時已發行及將予發行股份之總數目不得超過當時已發行股份之1%。有關根據新計劃授出之各購股權之認購價不得低於下列較高者(i)向合資格人士授予購股權之日香港聯交所每日報價單載列之股份收市價；(ii)緊接授出日期前五個營業日香港聯交所每日報價單載列之股份平均收市價；或(iii)股票面值。授予或行使購股權並無最短持有期限，購股權於本公司董事會決定之購股權期內可予以行使。

於本年度，本公司根據新計劃授出37,480,000（二零零二年：14,575,000）份購股權。於二零零三年十二月三十一日及二零零四年四月二十七日，本公司仍可毋須根據新計劃更新上限而授出193,482份購股權（佔結算日已發行股本0.04%）。

於本年度，8,200,000（二零零二年：10,334,000）份購股權於行使期結束時失效，（二零零二年：2,500,000）沒有任何購股權被註銷。

根據本公司股本架構，所有於二零零三年十二月三十一日尚未行使之購股權獲悉數行使後，將額外發行52,055,000（二零零二年：22,775,000）股普通股（佔結算日已發行股本約11.52%）。有關購股權計劃詳情載列如下：

**Share options** (Continued)

Date of share options granted 1st September 2000

Exercise price HK\$2.62

Exercise period 1st January 2001 – 31st December 2003

**購股權** (續)

購股權授出日期 二零零零年九月一日

行使價 2.62 港元

行使期 二零零一年一月一日至  
二零零三年十二月三十一日

		Outstanding options as at 1st January 2003 於二零零三年 一月一日 未獲行使 之購股權	Options exercised during the year 本年度已行使 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2003 於二零零三年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	–	–	–
Held by employees	僱員持有	2,300,000	–	(2,300,000)	–
<b>Total</b>	<b>總計</b>	<b>2,300,000</b>	<b>–</b>	<b>(2,300,000)</b>	<b>–</b>

Date of share options granted 2nd November 2000

Exercise price HK\$1.50

Exercise period 1st January 2001 – 31st December 2003

購股權授出日期 二零零零年十一月二日

行使價 1.50 港元

行使期 二零零一年一月一日至  
二零零三年十二月三十一日

		Outstanding options as at 1st January 2003 於二零零三年 一月一日 未獲行使 之購股權	Options exercised during the year 本年度已行使 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2003 於二零零三年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	–	–	–
Held by employees	僱員持有	5,900,000	–	(5,900,000)	–
<b>Total</b>	<b>總計</b>	<b>5,900,000</b>	<b>–</b>	<b>(5,900,000)</b>	<b>–</b>

**Share options** (Continued)

Date of share options granted	23th July 2002	<b>購股權 (續)</b> 購股權授出日期	二零零二年七月二十三日
Exercise price	HK\$1.47	行使價	1.47港元
Exercise period	24th July 2002 – 23th July 2005	行使期	二零零二年七月二十四日至 二零零五年七月二十三日

		Outstanding options as at 1st January 2003 於二零零三年 一月一日 未獲行使 之購股權	Options granted during the year 本年度授出 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2003 於二零零三年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	6,000,000	–	–	6,000,000
Held by qualified persons (excluding directors)	合資格人士 (不包括董事) 持有	8,575,000	–	–	8,575,000
<b>Total</b>	<b>總計</b>	<b>14,575,000</b>	<b>–</b>	<b>–</b>	<b>14,575,000</b>

Date of share options granted	10th December 2003	購股權授出日期	二零零三年十二月十日
Exercise price	HK\$0.824	行使價	0.824港元
Exercise period	1st January 2004 – 31st December 2006	行使期	二零零四年一月一日至 二零零六年十二月三十一日

		Outstanding options as at 1st January 2003 於二零零三年 一月一日 未獲行使 之購股權	Options granted during the year (Note 1) 本年度授出 之購股權 (附註1)	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2003 於二零零三年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	7,500,000	–	7,500,000
Held by qualified persons (excluding directors) (Note 2)	合資格人士 (不包括董事) 持有 (附註2)	–	29,980,000	–	29,980,000
<b>Total</b>	<b>總計</b>	<b>–</b>	<b>37,480,000</b>	<b>–</b>	<b>37,480,000</b>

## Share options (Continued)

### Notes

1. At the date before the options were granted, 9th December 2003, the market value per share was HK\$0.81. The values of the options granted to the respective parties are as follows:

	HK\$
Directors	6,075,000
Other qualified persons	24,283,800

2. Ms. Chan Ping, an employee of the Group and the spouse of Mr. Lui Pan, Terry, held 4,500,000 share options

In assessing the value of the share options granted during the year ended 31st December 2003, the Black-Scholes option pricing model (the "Black-Scholes Model") has been used. The Black-Scholes Model is one of the most generally accepted methodologies used to calculate the value of options and is one of the recommended option pricing models as set out in Chapter 17 of the Listing Rules. The variables of the Black-Scholes Model include expected life of the options, risk-free interest rate, expected volatility and expected dividend of the shares of the Company.

In accessing the value of the share options granted during the year to directors, chief executives and other employees, the following variables have been applied to the Black-Scholes Model:

Measurement Date	10th December 2003
Variables	
Expected life	3
Risk-free rate	2.33%
Expected volatility	55.38%
Expected dividend yield	0%

The above variables were determined as follows:

- The expected life is estimated to be 3 years from the date of grant (the "Measurement Date").
- The risk-free rate represents the yield of the Hong Kong Exchange Fund Notes corresponding to the expected life of the options as at the Measurement Date.
- The expected volatility represents the standard deviation of the daily closing share prices of the Company for the last thirty-six months from the Measurement Date.
- No dividend has been declared for the last 5 years. A dividend yield of zero has been assumed.

## 購股權 (續)

### 附註

1. 於購股權授出日期前一日 (即二零零三年十二月九日), 每股股份之市值為0.81 港元。授予各方之購股權之價值如下:

	港元
董事	6,075,000
其他合資格人士	24,283,800

2. 陳萍女士 (本集團之僱員及呂品先生之配偶) 持有4,500,000份購股權。

於評估本年度所授出之購股權價值時, 已採用畢蘇期權定價模式 (「畢蘇模式」)。畢蘇模式乃其中一種用以計算期權價值之公認方法, 並為上市規則第17章推薦之期權定價模式之一。畢蘇模式之變數包括期權之預計年期、無風險利率、預計波動及本公司股份之預期股息。

於評估於年內授予董事、行政總裁及其他僱員之購股權價值時, 應用於畢蘇模式之變數如下:

計算日	二零零三年十二月十日
變數	
預計年期	3
無風險利率	2.33%
預計波動	55.38%
預期股息回報率	0%

上述變數釐定如下:

- 預計年期估計為自授出日期 (「計算日」) 起計三年。
- 無風險利率指於計算日期權之預計年期對應之香港外匯基金票據之回報率。
- 預計波動指本公司股份由計算日起計過去三十六個月之每日收市價之標準差。
- 於過去五個年度並無宣派股息, 故假設股息之回報率為零。

### Share options (Continued)

Using the Black-Scholes Model in assessing the value of share options granted during the year, the options would have an aggregate value of approximately HK\$11,993,600 represented as follows:

### 購股權 (續)

採用畢蘇模式購股權估計於年內授出之購股權價值總額將約為11,993,600港元，並載列如下：

Directors, chief executives and other qualified persons 董事、行政總裁及其他合資格人士	Date of issue 發行日期	Number of share options granted during the year 於年內授出之 購股權數目	Estimated value per option 每份購股權之 預計價值 HK\$ 港元	Estimated value of options granted during the year 於年內授出之 購股權之預計價值 HK\$ 港元
Mr. Ko Chun Shun, Johnson 高振順先生	10/12/2003 二零零三年十二月十日	450,000	0.32	144,000
Mr. Lui Pan, Terry 呂品先生	10/12/2003 二零零三年十二月十日	4,500,000	0.32	1,440,000
Ms. Cheung Sum Yu, Fiona 張心瑜女士	10/12/2003 二零零三年十二月十日	550,000	0.32	176,000
Mr. Shaw Sun Kan 蕭宇成先生	10/12/2003 二零零三年十二月十日	550,000	0.32	176,000
Mr. Jerry Sze Jerry Sze 先生	10/12/2003 二零零三年十二月十日	550,000	0.32	176,000
Mr. Chu Hon Pong 朱漢邦先生	10/12/2003 二零零三年十二月十日	450,000	0.32	144,000
Mr. Liu Tsun Kie 劉俊基先生	10/12/2003 二零零三年十二月十日	450,000	0.32	144,000
Other qualified persons 其他合資格人士	10/12/2003 二零零三年十二月十日	*29,980,000	0.32	9,593,600
Total 合計				11,993,600

\* Included are 4,500,000 share options held by Ms. Chan Ping, an employee of the Group and the spouse of Mr. Lui Pan, Terry.

\* 包括4,500,000份由本集團僱員及呂品先生之配偶陳萍女士持有。

### Share options (Continued)

In assessing the aggregate value of the share options, no adjustment has been made for possible future forfeiture of the options. No charge is recognised in the profit and loss account in respect of the value of options granted during the year. The share options granted will be recognised in the balance sheet at the time when the share options are exercised. Share capital will be credited at par for each share issued upon the exercise of share options, with share premium credited at the excess of net proceeds received over total share capital credited.

It should be noted that the value of options calculated using the Black-Scholes Model is based on various assumptions and is only an estimate of the value of share options granted during the year. It is possible that the financial benefit accruing to the grantee of an option will be considerably different from the value determined under the Black-Scholes Model.

### Reserves

Movements in the reserves of the Group and of the Company during the year are set out in note 26 to the accounts.

### Distributable reserves

The Company has no distributable reserves as at 31st December 2003 (2002: HK\$Nil).

### Major suppliers and major customers

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

Purchases	
– the largest supplier	8%
– five largest suppliers combined	27%
Sales	
– the largest customer	15%
– five largest customers combined	39%

None of the directors, their associates or any shareholders (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

### 購股權 (續)

於評估購股權之價值總額時，並無就可能於日後沒收之期權作出調整，亦無就於年內授出之期權價值於損益表確認為支出。授出之購股權將於購股權獲行使時於資產負債表確認。股本將就行使購股權而予以發行之每股股份按面值入帳，而股份溢價則按已收所得款項淨額超出已入帳股本總額之數額入帳。

務請注意採用畢蘇模式計算之期權價值乃以不同假設為基準，並僅為於年內授出之購股權價值之估算。購股權持有人之財務利益或會與根據畢蘇模式釐定之價值有所不同。

### 儲備

本集團及本公司於本年度之儲備之變動詳情分別載列於賬目附註26。

### 可供分派之儲備

本公司於二零零三年十二月三十一日並無可供分派之儲備（二零零二年：零港元）。

### 主要供應商及主要客戶

本集團主要供應商及主要客戶之採購額與銷售額佔本年總額百分比如下：

採購	
– 最大供應商	8%
– 五位最大供應商合計	27%
銷售	
– 最大客戶	15%
– 五位最大客戶合計	39%

概無任何董事、彼等之聯繫人士或就董事所知任何擁有本公司已發行股本5%以上之股東於上述主要供應商或客戶擁有任何權益。

## Directors

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

### Executive directors

Mr. Ko Chun Shun, Johnson

Mr. Lui Pan, Terry

### Non-executive directors

Ms. Cheung Sum Yu, Fiona

Mr. Ronald Richard Budacz  
(resigned on 7th May 2003)

Mr. Shaw Sun Kan

Mr. Jerry Sze

Mr. Itzhak Shenberg  
(appointed on 18th January 2004)

### Independent non-executive directors

Mr. Chu Hon Pong

Mr. Liu Tsun Kie

In accordance with Articles 98 and 104 of the Company's bye-laws, Mr. Chu Hon Pong, Mr. Liu Tsun Kie and Mr. Itzhak Shenberg will retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Under the terms of their appointment, the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's bye-laws.

## 董事

本年度內及至報告日之董事如下：

### 執行董事

高振順先生

呂品先生

### 非執行董事

張心瑜女士

Ronald Richard Budacz 先生  
(已於二零零三年五月七日辭任)

蕭宇成先生

Jerry Sze 先生

Itzhak Shenberg 先生  
(於二零零四年一月十八日獲委任)

### 獨立非執行董事

朱漢邦先生

劉俊基先生

根據本公司章程細則第98條及第104條，朱漢邦先生、劉俊基先生及Itzhak Shenberg先生將於應屆股東周年大會上告退，並符合資格願膺選連任。

在獨立非執行董事之委任條款下，獨立非執行董事並無特定任期，而應根據本公司章程細則，輪流告退。

## Brief biographical details of directors and senior management

## 董事及高級管理人員之履歷簡介

Name 姓名	Age 年齡	Position held 職務	Number of years of service 服務年期	Business experience 商業履歷
Mr. Ko Chun Shun, Johnson 高振順先生	52	Chairman and Executive Director 主席兼執行董事	5	International trading, direct investment and financial services 國際貿易、直接投資及金融服務
Mr. Lui Pan, Terry 呂品先生	49	President and Executive Director 總裁兼執行董事	5	Engineering and marketing 工程及市場推廣
Ms. Cheung Sum Yu, Fiona 張心瑜女士	40	Non-executive Director 非執行董事	6	Marketing, manufacturing and distribution operations 市場推廣、製造及分銷業務
Mr. Ronald Richard Budacz (resigned on 7th May 2003) (已於二零零三年五月七日辭任)	58	Non-executive Director 非執行董事	5	Engineering, quality control, materials management, manufacturing and marketing 工程、質量控制、 物料管理、製造及市場推廣
Mr. Shaw Sun Kan 蕭宇成先生	39	Non-executive Director 非執行董事	4	Direct investment 直接投資
Mr. Jerry Sze	43	Non-executive Director 非執行董事	3	Direct investment 直接投資
Mr. Itzhak Shenberg (appointed on 18th January 2004) (於二零零四年一月十八日獲委任)	54	Non-executive Director 非執行董事	1	Technology and engineering 科技及工程
Mr. Chu Hon Pong 朱漢邦先生	54	Independent Non-executive Director 獨立非執行董事	4	Direct investment 直接投資
Mr. Liu Tsun Kie 劉俊基先生	53	Independent Non-executive Director 獨立非執行董事	4	Engineering and corporate finance 工程及企業融資

**Brief biographical details of directors and senior management** (Continued)  
**Senior management staff**

**董事及高級管理人員之履歷簡介** (續)  
**高層管理人員**

Name 姓名	Age 年齡	Position held 職務	Number of years of service 服務年期	Business experience 商業履歷
Ms. Chiu Lai Kuen, Susanna 趙麗娟女士	43	Senior Vice President - Business development & corporate affairs 高級副總裁 －業務發展及總部事務	4	Information technology, media and operations management 資訊科技、傳媒及營運管理
Mr. Sam Wong 黃植良先生	43	Senior Vice President - Finance 高級副總裁－財務	3	Investment banking and finance 投資銀行及融資
Ms. Chan Ping 陳萍女士	46	Senior Vice President - China operations 高級副總裁－中國業務	3	China operations and marketing 中國業務及市場推廣
Mr. Li Jian Hua 李建華先生	40	Chief Technical Officer 首席技術官	1	Engineering and manufacturing 工程及生產
Mr. Ho Te Hwai, Cecil 賀德懷先生	43	Company Secretary 公司秘書	5	Accounting and finance 會計及財務

**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.

**Directors' interests in contracts**

No contracts of significance in relation to the Group's business to which the Company or 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.

**Management contracts**

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

**Connected transactions**

There were no transactions which are required to be disclosed as connected transactions in accordance with the Listing Rules.

**董事服務合約**

擬於應屆股東周年大會上膺選連任之董事，概無與本公司訂立本公司不可於一年內免付補償法定補償除外而終止之服務合約。

**董事之合約權益**

於結算日或年內任何時間，本公司或其附屬公司概無簽定任何涉及本集團之業務而本集團之董事直接或間接在其中擁有重大權益之重要合約。

**管理合約**

本年度內概無訂立或存在任何涉及本公司整體或部分重要業務之管理及行政之合約。

**關連交易**

概無任何交易須遵照上市規則之規定作為關連交易並予以披露。

## Directors' interests and short positions in shares, underlying shares and debentures

At 31st December 2003, the interests of the directors in the shares and underlying shares, all of which are long position, of the Company or its associated corporations, as defined in Part XV of Securities and Futures Ordinance (the "SFO") and as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

(a) Ordinary shares of HK\$0.10 each in the Company

Name 姓名	Notes 附註	Number of shares 股份數目		
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益
Mr. Ko Chun Shun, Johnson 高振順先生	(i)	343,000	2,040,816	158,357,940
Ms. Cheung Sum Yu, Fiona 張心瑜女士	(ii)	3,316,000	–	10,001,140
Mr. Lui Pan, Terry 呂品先生		198,000	–	–

Notes:

(i) 118,403,418 ordinary shares in the Company are directly held by Prime Pacific International Limited, which is owned as to 67% and 33% by Gold Pagoda Incorporated ("Gold Pagoda") and Prime Gold International Limited ("Prime Gold"), respectively.

Prime Gold is owned as to 82.45% by Kwan Wing Holdings Limited ("Kwan Wing"), a company incorporated in the British Virgin Islands and wholly owned by Mr. Ko Chun Shun, Johnson ("Mr. Ko").

Gold Pagoda is a wholly-owned subsidiary of Universal Holdings Limited ("UHL"), a listed company in Hong Kong of which Mr. Ko has a controlling interest.

31,032,522 ordinary shares in the Company are held directly by Universal Appliances Limited ("UAL"), a wholly-owned subsidiary of UHL.

2,956,000 ordinary shares in the Company are held by All Mark Limited, a wholly-owned subsidiary of UHL.

2,822,000 ordinary shares in the Company are held by First Gain International Limited which is wholly owned by Mr. Ko.

## 董事於股份、相關股份及債權證之權益或淡倉

於二零零三年十二月三十一日，根據證券及期貨條例第352條規定本公司須存置之登記冊所載或根據上市公司董事進行證券交易的標準守則（「標準守則」）另行向本公司及香港聯交所知會，董事會於本公司及其相關法團（定義見證券及期貨條例第15部）之股份、相關股份及債權證所擁有之權益（所有均為好倉）資料如下：

(a) 本公司每股面值0.10港元之普通股

Name 姓名	Notes 附註	Number of shares 股份數目		
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益
Mr. Ko Chun Shun, Johnson 高振順先生	(i)	343,000	2,040,816	158,357,940
Ms. Cheung Sum Yu, Fiona 張心瑜女士	(ii)	3,316,000	–	10,001,140
Mr. Lui Pan, Terry 呂品先生		198,000	–	–

附註：

(i) Prime Pacific International Limited（「Prime Pacific」）直接持有118,403,418股本公司普通股，而Gold Pagoda Incorporated（「Gold Pagoda」）及Prime Gold International Limited（「Prime Gold」）分別擁有Prime Pacific 67%及33%權益。

Kwan Wing Holdings Limited（「Kwan Wing」）持有Prime Gold之82.45%權益。Kwan Wing為於英屬處女群島註冊成立之公司，並由高振順先生（「高先生」）全資擁有。

Gold Pagoda為友利控股有限公司（「友利控股」，一家於香港上市公司）之全資附屬公司，而高先生則擁有友利控股之控制權。

友利控股之全資附屬公司友利電訊工業有限公司（「友利電訊」）直接持有31,032,522股本公司普通股。

友利控股之全資附屬公司All Mark Limited持有2,956,000股本公司普通股。

First Gain International Limited持有2,822,000股本公司普通股。該公司由高先生全資擁有。

## Directors' interests and short positions in shares, underlying shares and debentures (Continued)

- 3,144,000 ordinary shares in the Company are held by Kwan Wing.
- 2,040,816 ordinary shares in the Company are held by Ms. Cheung Yat Kwan, who is the spouse of Mr. Ko.
- (ii) 10,001,140 shares are held by Gallium International Limited, which in turn is wholly owned by Creative World International Limited, a company wholly owned by Ms. Cheung Sum Yu, Fiona.
- (b) Million Way Enterprises Limited, a wholly-owned subsidiary of UHL, holds preference shares of face value of US\$15,000,000 issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company. These preference shares are exchangeable to approximately 24,786,780 ordinary shares in the Company at a conversion price of HK\$4.69 per share, subject to adjustment.
- (c) Rights to acquire ordinary shares of the Company  
Details of the share options granted to certain directors are as follows:

Directors 董事	Date of share options granted 授出購股權日期	Number of share options outstanding as at 1st January 2003 於二零零三年 一月一日尚未 行使之 購股權數目	Number of share options granted during the year 年內授出之 購股權數目	Number of share options lapsed during the year 年內已 失效之 購股權數目	Number of share options outstanding as at 31st December 2003 於二零零三年 十二月三十一日 尚未行使之 購股權數目	Exercise price per share HK\$ 每股 行使價 港元	
Mr. Ko Chun Shun, Johnson 高振順先生	23/7/2002	3,000,000	–	–	3,000,000	24/7/2002 - 23/7/2005	1.47
	10/12/2003	–	450,000	–	450,000	1/1/2004 - 31/12/2006	0.824
Mr. Lui Pan, Terry 呂品先生	23/7/2002	3,000,000	–	–	3,000,000	24/7/2002 - 23/7/2005	1.47
	23/7/2002	1,000,000	–	–	*1,000,000	24/7/2002 - 23/7/2005	1.47
	10/12/2003	–	4,500,000	–	4,500,000	1/1/2004 - 31/12/2006	0.824
	10/12/2003	–	4,500,000	–	*4,500,000	1/1/2004 - 31/12/2006	0.824

## 董事於股份、相關股份及債權證之權益或淡倉 (續)

- Kwan Wing持有3,144,000股本公司普通股。
- 高先生之配偶張逸君女士持有本公司2,040,816股普通股。
- (ii) Gallium International Limited持有10,001,140股本公司普通股，而該公司則為由張心瑜女士全資擁有之公司Creative World International Limited全資擁有。
- (b) 友利控股之全資附屬公司Million Way Enterprises Limited持有面值15,000,000美元由本公司之全資附屬公司天地數碼(集團)有限公司發行之優先股。該公司可以每股4.69港元兌換價兌換大約24,786,780股(或會調整)本公司普通股。
- (c) 收購本公司普通股之權利  
年內授予若干董事之購股權詳情如下：

## Directors' interests and short positions in shares, underlying shares and debentures (Continued)

(c) Rights to acquire ordinary shares of the Company (Continued)

Directors 董事	Date of share options granted 授出購股權日期	Number of share options outstanding as at 1st January 2003 於二零零三年 一月一日尚未 行使之 購股權數目	Number of share options granted during the year 年內授出之 購股權數目	Number of share options lapsed during the year 年內已 失效之 購股權數目	Number of share options outstanding as at 31st December 2003 於二零零三年 十二月三十一日 尚未行使之 購股權數目	Exercise price per share HK\$ 每股 行使價 港元	Exercise period 行使期
Ms. Cheung Sum Yu, Fiona 張心瑜女士	10/12/2003	-	550,000	-	550,000	0.824	1/1/2004 - 31/12/2006
Mr. Shaw Sun Kan 蕭宇成先生	10/12/2003	-	550,000	-	550,000	0.824	1/1/2004 - 31/12/2006
Mr. Jerry Sze Jerry Sze 先生	10/12/2003	-	550,000	-	550,000	0.824	1/1/2004 - 31/12/2006
Mr. Chu Hon Pong 朱漢邦先生	10/12/2003	-	450,000	-	450,000	0.824	1/1/2004 - 31/12/2006
Mr. Liu Tsun Kie 劉俊基先生	10/12/2003	-	450,000	-	450,000	0.824	1/1/2004 - 31/12/2006

\*held by Ms. Chan Ping, an employee of the Group as well as the spouse of Mr. Lui Pan, Terry

Saved as mentioned above, as at 31st December 2003, none of the directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had been recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the SEHK pursuant to the Model Code.

Save as disclosed above, at no time during the year was the Company or its subsidiaries, a party to any arrangement to enable the Company's directors to acquire benefit by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## 董事於股份、相關股份及債權證之權益或淡倉 (續)

(c) 收購本公司普通股之權利 (續)

\*由呂品先生之配偶陳萍女士持有，而她亦是本集團之僱員。

除上述所披露者外，在二零零三年十二月三十一日，根據證券及期貨條例第352條或根據標準守則另行向本公司及香港聯交所知會，本公司董事並沒有擁有本公司及其相聯法團之股份、相關股份及債權證之權益及沒有作出淡倉行為。

除上述所披露者外，本公司及其附屬公司於本年度內並無訂立任何安排，致令本公司董事可透過購買本公司或任何其他法團之股份或債券而獲得利益。

## Directors' interests and short positions in shares, underlying shares and debentures (Continued)

Save as disclosed above, at no time during the year, the directors and chief executive (including their spouse and children under 18 years of age) had any interest in, or had been granted or exercised, any rights to subscribe for shares in the Company and its associated corporations.

### Substantial shareholders

At 31st December 2003, save as disclosed below and under the section "Directors' interests and short positions in shares, underlying shares and debentures" above, no other person had registered any other interests under section 336 of the SFO:

Ordinary shares of HK\$0.10 each in the Company

Name 名稱	Note 附註	Number of shares 股份數目	
		Direct interests 直接權益	Indirect interests 間接權益
BAPEF Investments XIV Limited		30,110,204	—
Baring Asia Private Equity Fund LP 2	(i)	—	30,110,204

Note (i) The interests are held by BAPEF Investments XIV Limited.

### Purchase, redemption or sale of securities

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.

### Compliance with the Code of Best Practice of the Listing Rules

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules.

Independent non-executive directors are not appointed for a specific term as all of the directors, excluding the executive chairman and the managing director, and without limitation to non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or there was no restriction against such rights under the laws of Bermuda.

## 董事於股份、相關股份及債權證之權益或淡倉 (續)

除上文披露者外，董事及行政總裁（包括彼等各自之配偶及18歲以下子女）概無於本年度內在本公司及其聯營公司擁有任何權益，或被授予或已行使任何權利以認購本公司或其聯營公司之股份。

### 主要股東

於二零零三年十二月三十一日，除上文「董事於股份、相關股份及債權證之權益或淡倉」一節及如下所披露者外，概無任何其他人士擁有根據證券及期貨條例第336條規定應予以記錄之任何其他權益。

本公司每股面值0.10港元之普通股

Name 名稱	Note 附註	Number of shares 股份數目	
		Direct interests 直接權益	Indirect interests 間接權益
BAPEF Investments XIV Limited		30,110,204	—
Baring Asia Private Equity Fund LP 2	(i)	—	30,110,204

附註(i) 權益由BAPEF Investments XIV Limited持有。

### 購買、贖回或出售證券之安排

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

### 上市規則最佳應用守則之遵守

本公司於本年度內一直遵守上市規則所載之最佳應用守則。

獨立非執行董事並無特定任期。全體董事（惟不包括執行主席及董事總經理，非執行董事亦不在此限）須根據本公司章程細則於股東周年大會上輪流告退，亦可膺選連任。

### 優先購買權

本公司章程細則內並無有關優先購買權之規定，百慕達法例亦無對該等權利作出限制。

### **Audit committee**

The Company established an audit committee in 1999 in accordance with paragraph 14 of the Code of Best Practice. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the group audit. The Committee comprises one non-executive director, Mr. Shaw Sun Kan and two independent non-executive directors, namely Mr. Chu Hon Pong and Mr. Liu Tsun Kie. Two meetings were held during the current year.

### **Subsequent events**

Details of the subsequent events of the Group and of the Company are set out in note 32 to the accounts.

### **Auditors**

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

On behalf of the Board

Ko Chun Shun, Johnson  
Chairman

Hong Kong  
27th April 2004

### **審核委員會**

本公司已根據最佳應用守則第14段於一九九九年成立審核委員會。闡述審核委員會權力及職責之書面職權範圍及條款，乃經參考香港會計師公會所發出之「審核委員會成立指引」而編製及採納。

審核委員會為董事會及本公司核數師在集團審核事宜方面提供一個重要聯繫。審核委員會由一位非執行董事蕭宇成先生及兩位獨立非執行董事朱漢邦先生及劉俊基先生組成。於年內曾舉行兩次會議。

### **結算日後事項**

本集團及本公司之結算日後事項之詳情載於賬目附註32。

### **核數師**

羅兵咸永道會計師事務所已審核本年報賬目，任滿告退，並符合資格願膺選連任本公司之核數師。

承董事會命

高振順  
主席

香港  
二零零四年四月二十七日