

The directors present their annual report and the audited financial statements for the year ended 31st March, 2002.

### Principal Activities

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in notes 16 and 17, respectively, to the financial statements.

### Results

The results of the Group for the year ended 31st March, 2002 are set out in the consolidated income statement on page 31.

### Share Capital

Details of movements during the year in the share capital of the Company are set out in note 27 to the financial statements.

### Major Customers and Suppliers

The five largest customers of the Group accounted for less than 30% of the Group's turnover for the year ended 31st March, 2002.

The five largest suppliers of the Group accounted for less than 30% of the Group's purchases for the year ended 31st March, 2002.

### Reserves

Movements during the year in the reserves of the Group and the Company are set out in note 29 to the financial statements.

Under The Companies Act 1981 of Bermuda, the Company's contributed surplus account is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

董事會欣然提呈截至二零零二年三月三十一日止年度之年報及經審核財務報表。

### 主要業務

本公司為一間投資控股公司，其附屬公司及聯營公司之主要業務載於財務報表附註16及17。

### 業績

有關本集團截至二零零二年三月三十一日之業績詳情載於第31頁之綜合收益賬。

### 股本

本公司之股本之變動詳情載於財務報表附註27。

### 主要客戶與供應商

截至二零零二年三月三十一日止年度，本集團向五大客戶之總銷售額少於本集團營業額之30%。

截至二零零二年三月三十一日止年度，本集團向五大供應商之購貨額少於本集團總購貨額之30%。

### 儲備

有關本集團及本公司之儲備於年內變動詳情載於財務報表附註29。

根據百慕達之一九八一年公司法，本公司之繳入盈餘可分派予股東。然而，本公司於下列情況下則不能宣派或繳付股息或分派繳入盈餘；如

- (a) 公司在繳款後則不能清還到期之負債。

- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

In the opinion of the directors, the Company does not have reserves available for distribution to shareholders as at 31st March, 2002.

### Property, Plant and Equipment

During the year, the Group spent approximately HK\$3 million on furniture and fixtures for normal replacement purpose, approximately HK\$12 million on plant, machinery and equipment for the expansion of a new production line and HK\$4 million on antenna and antenna control equipment of satellite communication business.

Details of these and other movements in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

### Directors

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

#### Executive directors:

Kwok Yan Lam (*Chairman*)  
Kwok Hing Lam (*Deputy Chairman and Managing Director*)

#### Non-executive director:

Alan Wang Wai Kwan

#### Independent non-executive directors:

David Chi Kin Ng  
Kin Wai Cheung

In accordance with Clause 87 of the Company's Bye-laws, Mr. Alan Wang Wai Kwan retires and, being eligible, offers himself for re-election.

- (b) 公司資產之可變現價值少於公司之負債、已發行股本及股份溢價之總值。

就各董事之意見，本公司在二零零二年三月三十一日並無可分派予股東之儲備。

### 物業、廠房及設備

年內本集團因一般傢俬及裝置之更新項目，支付3,000,000港元，支付約12,000,000港元購買廠房、機械及設備作擴充生產線用途，另支付4,000,000港元為衛星通訊業務添置天線及無線控制設備。

有關本集團物業、廠房及設備之變動詳情載於財務報表附註12。

### 董事

年內及直至本報告刊發之日本公司董事如下：

#### 執行董事：

藍國恩（主席）  
藍國慶（副主席兼董事總經理）

#### 非執行董事：

關宏偉

#### 獨立非執行董事：

伍志堅  
張健偉

根據本公司之公司附例第87條，關宏偉先生現依章告退，惟願膺選連任。

The term of office of the non-executive director and each independent non-executive director is the period up to his retirement by rotation in accordance with the above clause.

The director being proposed for re-election at the forthcoming annual general meeting does not have 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).

### Directors' Service Contracts

Each of Messrs. Kwok Yan Lam and Kwok Hing Lam had a service contract with the Company. These service contracts continued unless and until terminated by either the Company or the director giving to the other 6 months' notice in writing.

### Directors' Interests in Shares

At 31st March, 2002, the interests of the directors in the share capital of the Company and its associated corporations 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") were as follows:

非執行董事及獨立非執行董事之任期根據以上之公司附例輪選退任。

擬於即將舉行之股東大會上重選連任之董事概無與本公司或其任何附屬公司訂有不能由本集團於一年內免付賠償（法定賠償除外）終止之未屆滿服務合約。

### 董事服務合約

藍國恩先生與藍國慶先生分別與本公司訂立服務合約。以上有關之服務合約期滿後仍然生效，直至公司或董事以六個月書面通知解約為止。

### 董事所持之股份

於二零零二年三月三十一日，按本公司根據證券（公開權益）條例第29條所設有之登記冊之紀錄，各董事及其聯繫人士於本公司股份及認股權證中之權益如下：

Name of director	董事姓名	Number of shares 股份數目		Number of ordinary shares of Asia Nice Art Production Limited, a subsidiary of the Company 玲藝亞洲廣告製作 有限公司（本公司 之附屬公司）之 普通股份數目
		Personal interests 個人權益	Corporate interests 公司權益	
Mr. Kwok Yan Lam	藍國恩先生	69,503,340	Note 附註	1,000
Mr. Kwok Hing Lam	藍國慶先生	69,493,340	Note 附註	—

*Note:*

At 31st March, 2002, an aggregate of 1,940,826,660 shares of the Company were held by Optimist International Limited ("Optimist"). Messrs. Kwok Yan Lam and Kwok Hing Lam ("Messrs. Lam") are each entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Medusa Group Limited, which in turn is entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Optimist. Accordingly, under the SDI Ordinance, Messrs. Lam are each deemed to be interested in all the 1,940,826,660 shares of the Company held by Optimist.

Save as aforesaid and other than nominee shares in certain subsidiaries held in trust for the Company by certain directors, none of the directors, the chief executive or their associates had any personal interests, family interests, corporate interests or other interests in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 31st March, 2002.

**Share Option Scheme**

The Company's executive share option scheme, was adopted on 2nd January, 1991 (the "Original Scheme") for the purpose of providing incentive to directors and eligible staff. Under the Original Scheme, the directors may grant options to executive directors and employees of the Company or any of its subsidiaries to subscribe for shares of the Company. The subscription price of shares under the Original Scheme shall be calculated at the discretion of the directors at an amount not more than a 20% discount to the average of the closing prices of the shares as stated in the daily quotation sheets of The Stock Exchange of Hong Kong Limited for one or more board lots of shares on the five trading days immediately preceding the date of grant of the option provided that in no circumstances shall the subscription price be less than the par value of a share. No consideration is payable on the grant of an option. The aggregate number of shares in respect of which options may be granted pursuant to the Original Scheme to any individual shall not exceed 10% of the maximum number of shares in respect of which options may be granted under the Original Scheme and any other schemes.

*附註:*

於二零零二年三月三十一日，合共1,940,826,660之本公司股份由Optimist International Limited ("Optimist") 持有。由於藍國恩先生及藍國慶先生（「諸位藍先生」）有權在Medusa Group Limited之股東大會上行使或控制三分之一或以上之投票權，而Medusa Group Limited有權在Optimist之股東大會上行使或控制三分之一或以上之投票權。因此根據證券（公開權益）條例，諸位藍先生個別被視為擁有Optimist所持之1,940,826,660本公司股份之權益。

於二零零二年三月三十一日，除上文所述權益及部份董事以本公司代理人持有本公司一些附屬公司股份之外，各董事、主要行政人員或其聯繫人士概無本公司或其任何附屬公司（定義見證券（公開權益）條例）之股本中持有任何個人、家族、公司或其他權益。

**優先購股權計劃**

為獎勵董事及合資格僱員，本公司根據於一九九一年一月二日採納之優先購股權計劃（「原計劃」）。根據原計劃，董事會可向本公司或其附屬公司執行董事及僱員授出購股權以認購本公司之股份。股份之認購價由董事會酌情計算，金額不得較股份於有關購股權授出日期之前五個交易日在香港聯合交易所有限公司之每日報價上錄得之平均收市價折讓超過20%，惟無論在任何情況下，認購價均不得低於股份面值。授出購股權並不需支付任何代價。倘向任何僱員授出購股權，而該僱員可獲授予購股權之股份數目，不得超過根據原計劃及其他計劃可予發行購股權股份總數之10%。

The total number of shares in respect of which options may be granted under the Original Scheme (including shares issued pursuant to options exercised under the Original Scheme and shares in respect of which any options are outstanding) shall at all times when aggregated with any shares subject to other schemes be limited to 10% of the issued share capital of the Company from time to time.

The Original Scheme remained in force for a period of ten years from the date of its adoption and was expired on 1st January, 2001.

Under the rules of the Original Scheme, options must be exercised before the expiry date of the scheme. Pursuant to an ordinary resolution passed at a special general meeting held on 6th September, 2000 (the "Resolution"), the rule with regard to the exercisable period has amended under which options are exercisable before the third anniversary from the date of options are granted or the later date as the directors may determine but not being later than the tenth anniversary from the date the options are granted.

Pursuant to the revised Original Scheme, the Company had granted options on 14th November, 2000 to the following directors of the Company, exercisable at any time from 17th November, 2000 and during the employment with the Company and its subsidiaries to 16th November, 2003:

Name	姓名	Exercise price per share 每股行使價 HK\$ 港元	Number of share option outstanding at 1st April, 2001 and 31st March, 2002 優先購股權之數目 二零零一年四月一日及 二零零二年三月三十一日
Mr. Kwok Yan Lam	藍國恩先生	0.056	43,000,000
Mr. Kwok Hing Lam	藍國慶先生	0.056	43,000,000
			<u>86,000,000</u>

Pursuant to the Resolution, the Company adopted a new executive share option scheme (the "New Scheme") which became effective on 1st January, 2001. The rules of the New Scheme are the same as the revised Original Scheme and will remain in force for a period of ten years from the date of its adoption.

根據最終購股權計劃授出所涉及之股份上限(包括因行使購股權而發行之股份及任何未行使購股權所涉及之股份),並計及其他計劃產生之股份不得超過最終本公司不時之已發行股本之10%。

原計劃之有效期為由採納之日起計十年,並已於二零零一年一月一日到期。

根據原計劃之規定,所有購股權必須於計劃之限期前被行使。但根據二零零零年九月六日股東特別大會通過之一項普通決議案(決議案),有關購股權行使期之規定已作修改,購股權可於發出購股權日期後三年內或董事可決定之較後限期,但不遲於授出購股權日期十年內行使。

根據已修改之原計劃,本公司於二零零零年十一月十四日向下列本公司董事授出購股權,可於自二零零零年十一月十七日至二零零三年十一月十六日受僱於本公司及其附屬公司之期間內行使:

根據決議案,本公司採納一新行政人員之優先購股權計劃(新計劃)並於二零零一年一月一日起生效。新計劃與經修改之原計劃之規定相同,有效期為由採納之日起計十年。

Pursuant to the New Scheme, the Company had granted options on 30th August, 2001 to the following directors of the Company and the employees, exercisable at any time from 7th September, 2001 and during the employment with the Company and its subsidiaries to 6th September, 2004:

根據新計劃，本公司於二零零一年八月三十日向下列本公司董事及僱員授出購股權，可於二零零一年九月七日至二零零四年九月六日受僱於本公司及其附屬公司之期間行使：

		Number of share options			
		優先購股權之數目			
Name	姓名	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at 1st April, 2001 於二零零一年 四月一日	Granted during the year 年內授出	Outstanding at 31st March 2002 於二零零二年 九月三十一日
Directors	董事				
Mr. Kwok Yan Lam	藍國恩先生	0.053	—	114,500,000	114,500,000
Mr. Kwok Hing Lam	藍國慶先生	0.053	—	114,500,000	114,500,000
Employees	僱員				
Others	其他	0.053	—	50,140,000	50,140,000
				279,140,000	279,140,000

The closing price of the Company's share immediately before 30th August, 2001, the date of grant, was HK\$0.064.

本公司於授出購股權當日（即二零零一年八月三十日）之前，本公司股份之收市價為0.064港元。

At 31st March, 2002, the aggregate number of shares in respect of which options had been granted under the revised Original Scheme and New Scheme was 365.14 million, representing 6.60% of the shares of the Company in issue at that date.

於二零零二年三月三十一日，根據經修改原計劃及新計劃所授出之購股權餘額總數為365,140,000股，相等於本公司當天已發行股份之6.6%

The fair value of the options granted in the current year measured as at 30th August, 2001, the date of grant, totalled approximately HK\$13,777,000. The following significant assumptions were used to derive the fair value, using the Black Scholes option pricing model:

於授出購股權當日（即二零零一年八月三十日）計算，本年度授出之購股權公平值總額約為13,777,000港元。根據Black Scholes購股權定價模式計算公平值時所用之重大假設如下：

1. an expected volatility of 147% based on historical volatility;
2. no annual dividends; and
3. the estimated expected life of the options granted during the year is 3 years. The corresponding three-year Hong Kong Exchange Fund Notes interest rate at the date the options were granted was 4.21%.

1. 基於過往波動，預期波動比率為147%
2. 並無年度股息
3. 估計授出購股權行使期為3年。而於授出購股權當日，相等於三年期香港外匯基金票據之息率為4.21厘

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

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

### Directors' Interest in Contracts of Significance

No contract 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, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Directors' Rights to Acquire Shares or Debentures

The Company has an executive share option scheme under which executive directors and employees of the Company or any of its subsidiaries may be granted options to subscribe for shares in the Company. Details of the option scheme and the options granted to the directors are set out in the preceding sections.

Save as aforesaid, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or the chief executive, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

### Substantial Shareholders

At 31st March, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, other than the interests disclosed above in respect of Optimist, no shareholder was interested in 10% or more of the issued share capital of the Company.

Black Scholes購股權定價模式依賴高度主觀之假設，其中包括股價之波動比率。由於該等主觀假設變動或會對所估計之公平值有重大影響，故此董事認為，現行定價模式未必為計算購股權公平值之單一可靠方法。

期內授出之購股權價值並無自收益表扣除。

### 董事所持之重大合約權益

除於關連交易透露之事項外，於本年度止或期間，本公司或其任何附屬公司概無訂立任何與本公司董事有重大直接或間接利益之協議。

### 董事收購股份或債券之權利

本公司設有一項行政人員優先認股計劃；據此，本公司及其附屬公司之執行董事及公司僱員可獲授優先認股權證，以認購本公司之股份，有關授予之優先認股權證詳情已載於較前分段。

除上述者外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，令本公司董事可藉收購本公司或任何其他法人團體之股份或債券而得益。董事、主要行政人員或其配偶或其低於十八歲之子女概無獲授任何認購本公司證券之權利或曾行使任何該等權利。

### 主要股東

於二零零二年三月三十一日，根據證券（公開權益）條例第16(1)條所設之主要股東名冊之記錄，除上文所披露Optimist持有之本公司權益外，並無任何股東持有本公司已發行股本10%或以上之權益。

### Purchase, Sale or Redemption of The Company's Listed Shares

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 27 to the financial statements. The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the law in Bermuda.

### Corporate Governance

The Company has complied throughout the year ended 31st March, 2002 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### Post Balance Sheet Event

Details of the post balance sheet event are set out in note 42 to the financial statements.

### Auditors

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

On behalf of the Board

**Kwok Hing Lam**

*Deputy Chairman and Managing Director*

Hong Kong  
24th July, 2002

### 購入、出售或贖回本公司之上市股份

年內，本公司透過香港聯合交易所有限公司購回本公司之股份，有關之詳情載於財務報表附註27。董事認為由於本公司股價相對每股資產淨值產生折讓，故回購股份可提高本公司每股資產淨值。

年內本公司之附屬公司概無購入、出售或贖回任何本公司之上市股份。

### 優先購買權

百慕達法例並無限制優先購買權。本公司附例亦無關於該項權利之規定。

### 公司管治

據董事所知，於截至二零零二年三月三十一日止本年度內本公司一直遵照香港聯合交易所有限公司上市規定附錄十四所載之最佳應用守則而行事。

### 資產負債表結算後之事項

有關資產負債表結算後之事項之詳情載於財務報表附註42。

### 核數師

本公司將於股東週年大會上提呈決議案，再度聘任德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

**副主席兼董事總經理**

**藍國慶**

香港  
二零零二年七月二十四日