



The directors herein present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2002.

Principal activities

The principal activity of the Company consists of investment holding. Details of the principal activities of the principal subsidiaries are set out in note 15 to the financial statements. There were no changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's loss for the year ended 31 December 2002 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 24 to 87.

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

Summary financial information

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the Company's published audited financial statements and reclassified as appropriate, is set out below.

The new and revised Statements of Standard Accounting Practice, as further detailed in note 2 to the financial statements, have had no significant impact on the amounts previously recorded in the financial statements.

董事會謹向各股東提呈董事會報告及本公司與本集團截至二零零二年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司的主要業務之詳情載於財務報表附註15。年內本集團之主要業務之性質並無改變。

業績及股息

本集團截至二零零二年十二月三十一日止年度之虧損及本公司與本集團於該日之財務狀況載於第24頁至第87頁之財務報表。

董事會不建議派發本年度股息。

財務資料概要

摘錄自本公司已公佈經審核財務報表及經適當重新分類之本集團最近五個財政年度之業績及資產、負債及少數股東權益概要如下。

新訂及經修訂之會計實務準則(詳情載於財務報表附註2)對先前於財務報表中列賬之數額並無造成任何重大影響。

REPORT OF THE DIRECTORS



董事會報告

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元	1999 HK\$'000 千港元	1998 HK\$'000 千港元
TURNOVER	營業額	62,631	77,869	143,765	40,333	119,346
LOSS BEFORE TAX	除稅前虧損	(113,327)	(46,500)	(154,424)	(31,612)	(245,790)
Tax	稅項	(2,671)	1,188	4,621	(667)	943
LOSS BEFORE MINORITY INTERESTS	未計少數股東權益前虧損	(115,998)	(45,312)	(149,803)	(32,279)	(244,847)
Minority interests	少數股東權益	20	(754)	(1,804)	836	2,927
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS	股東應佔虧損淨額	(115,978)	(46,066)	(151,607)	(31,443)	(241,920)

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元	1999 HK\$'000 千港元	1998 HK\$'000 千港元
TOTAL ASSETS	總資產	1,866,391	1,751,340	1,997,391	2,165,597	2,067,751
TOTAL LIABILITIES	總負債	(605,482)	(520,789)	(522,564)	(590,199)	(628,160)
MINORITY INTERESTS	少數股東權益	(2,090)	(2,186)	3,023	5,145	4,347
NET ASSETS	資產淨值	1,258,819	1,228,365	1,477,850	1,580,543	1,443,938



Fixed assets and property held for future development

Details of movements in the fixed assets and property held for future development of the Group are set out in notes 13 and 14 to the financial statements, respectively.

Share capital and share options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in note 27 to the financial statements.

Pre-emptive rights

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

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 28 to the financial statements and in the consolidated summary statement of changes in equity.

Distributable reserves

At 31 December 2002, the Company's reserves available for distribution calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) amounted to HK\$987,096,272. In addition, the Company's share premium account, in the amount of HK\$196,894,700, may be distributed in the form of fully paid bonus shares.

Charitable contributions

During the year, the Group made charitable contributions totalling HK\$46,100 (2001: HK\$102,500).

固定資產及持作日後發展之物業

本集團固定資產及持作日後發展之物業之變動詳情分別載於財務報表附註13及14。

股本及購股權

年內，本公司股本及購股權之變動詳情連同變動之理由載於財務報表附註27。

優先購股權

本公司之公司細則或百慕達之法例均無規定本公司必須按比例向現有股東優先配售新股。

儲備

年內本公司及本集團之儲備變動詳情載於財務報表附註28及綜合權益變動概要報表。

可分派儲備

於二零零二年十二月三十一日，根據百慕達一九八一年公司法（經修訂）計算之本公司之可供分派儲備為987,096,272港元。此外，本公司之股份溢價賬為196,894,700港元，可供以繳足紅股方式分派。

慈善捐款

本年度，本集團共捐出46,100港元（二零零一年：102,500港元）作為慈善捐款。



Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 30% (2001: less than 30%) of the total sales for the year.

Purchases from the Group's five largest suppliers accounted for less than 30% (2001: less than 30%) of the total purchases for the year.

Directors

The directors of the Company during the year were:

Executive directors:

Cheong Pin Chuan, Patrick
Cheong Kim Pong
Cheong Pin Seng
Cheong Sim Eng

Independent non-executive directors:

Kan Fook Yee
Lai Hing Chiu, Dominic

Non-executive director:

Lim Ghee

In accordance with bye-law 87 of the Company's bye-laws, Mr. Lai Hing Chiu, Dominic and Madame Lim Ghee will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' service contracts

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.

主要客戶及供應商

於回顧年度內，本集團之五個最大客戶所佔之銷售額佔全年總銷售額少於30%（二零零一年：少於30%）。

本集團向五個最大供應商之購貨額佔全年總購貨額少於30%（二零零一年：少於30%）。

董事

本公司於本年度之董事為：

執行董事：

鍾斌銓
鍾金榜
鍾斌盛
鍾樂榮

獨立非執行董事：

簡福飴
黎慶超

非執行董事：

林 義

根據本公司細則第87條，黎慶超先生及林義女士將會告退，惟願於即將舉行之股東週年大會上膺選連任。

董事之服務合約

建議於即將舉行之股東週年大會候選連任之董事並無與本公司訂立不可由本公司於一年內無需支付賠償（法定賠償除外）而終止之服務合約。



Directors' rights to acquire shares

The Company operates a share option scheme further details of which are set out in note 27 to the financial statements.

Apart from as disclosed under the share option schemes in note 27 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective 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.

Directors' interests in shares

At 31 December 2002, the interests of the directors 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:

(i) Interests in the Company

Name of director

董事姓名

Cheong Pin Chuan, Patrick	鍾斌銓
Cheong Kim Pong	鍾金榜
Cheong Pin Seng	鍾斌盛
Cheong Sim Eng	鍾樂榮
Lim Ghee	林 義

Note: These directors were deemed to have corporate interests in the shares in the Company by virtue of their beneficial interests in the shares in Hong Fok Corporation Limited, a substantial shareholder of the Company.

The interests of the directors in the share options of the Company are separately disclosed in the section headed "Directors' rights to acquire shares" above.

董事購入股份之權利

本公司設有一項購股權計劃，有關詳情載於財務報表附註27。

除財務報表附註27根據購股權計劃作出之披露外，本公司或其任何附屬公司於本年度並無參與任何安排，致令本公司任何董事、彼等各自之配偶或年齡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得利益。

董事之股份權益

於二零零二年十二月三十一日，按本公司根據證券(披露權益)條例(「披露權益條例」)第二十九條須存置之登記冊所載，董事於本公司或其聯營公司之股本中擁有之權益如下：

(i) 於本公司之權益

Number of shares held and nature of interest

所持股份數目及權益性質

Corporate 公司

602,245,787
602,245,787
602,245,787
602,245,787
602,245,787

附註：由於該等董事實益擁有本公司主要股東鴻福實業有限公司的股份權益，故被視為持有本公司股份之公司權益。

董事於本公司購股權之權益乃於上文「董事購入股份之權利」一節分開披露。



Directors' interests in shares (CONTINUED)

董事之股份權益(續)

(ii) Interests in an associated corporation – Hong Fok Corporation Limited (“HFC”)

(ii) 於一間聯營公司—鴻福實業有限公司 (「鴻福實業」) 之權益

Name of director 董事姓名		Number of shares held and nature of interest 所持股份數目及權益性質			
		Corporate 公司 Note (a) 附註(a)	Personal 個人	Family 家族	Other 其他 Note (b) 附註(b)
Cheong Pin Chuan, Patrick	鍾斌銓	88,054,912	5,163,140	1,125,300	121,336,000
Cheong Kim Pong	鍾金榜	88,054,912	2,571,980	503,000	121,336,000
Cheong Pin Seng	鍾斌盛	88,048,312	2,752,376	101,200	121,336,000
Cheong Sim Eng	鍾樂榮	21,877,512	56,837,000	207,000	121,336,000
Lim Ghee	林 義	—	6,619,092	—	121,336,000

Notes:

- (a) These shares were beneficially held by a number of companies in which the directors had beneficial interests.
- (b) These shares were beneficially held by Winfoong Holding Limited, a wholly-owned subsidiary of the Company. The directors were deemed to have interests in the shares in HFC by virtue of their direct and indirect interests in the Company.

附註：

- (a) 該等股份由董事擁有實際權益之多間公司實益擁有。
- (b) 該等股份由本公司之全資附屬公司榮豐集團有限公司實益擁有。由於董事直接及間接持有本公司之權益，故被視為擁有鴻福實業股份之權益。

Save as disclosed above, 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' interests in contracts

Save as disclosed in note 33 to the financial statements, no director had a material beneficial interest 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.

除上文所披露者外，概無任何董事或其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擁有任何個人、家族、公司或其他權益。

董事於合約中之權益

年內，除財務報表附註33所披露者外，各董事並無在本公司或其任何附屬公司為訂約一方之任何重大合約中擁有重大實際權益。



Substantial shareholders

At 31 December 2002, 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:

主要股東

截至二零零二年十二月三十一日為止，本公司已將下列持有本公司已發行股本中10%或以上之權益，記錄於披露權益條例第16(1)條所規定置存之股東名冊內。

Name	名稱	Notes	Percentage of the		
			Number of shares held 所持股份數目	Company's issued capital 佔本公司 已發行股本 百分比	
			Direct 直接	Indirect 間接	
HFL International Consortium Limited ("HFL")	HFL International Consortium Limited (「HFL」)		555,202,784	–	37.20
Hong Fok Enterprises Limited ("HFE")	鴻福貿易有限公司 (「鴻福貿易」)	(i)	–	555,202,784	37.20
Hong Fok Investment Holding Company, Limited ("HFIH")	鴻福有限公司 (「鴻福」)	(ii)	47,043,003	555,202,784	40.35
Hong Fok Corporation Limited ("HFC")	鴻福實業有限公司 (「鴻福實業」)	(iii)	–	602,245,787	40.35
Barragan Trading Corp.	Barragan Trading Corp.		285,312,566	–	19.11

Notes:

- (i) HFE was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFL, did in the issued share capital of the Company by virtue of HFE's interest in HFL.
- (ii) HFIH was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFE, did in the issued share capital of the Company by virtue of HFIH's interest in HFE. In addition, HFIH was directly interested in approximately 3.15% of the issued share capital of the Company.
- (iii) HFC was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFIH, did in the issued share capital of the Company by virtue of HFC's interest in HFIH.

附註：

- (i) 由於鴻福貿易持有HFL之權益，故鴻福貿易擁有本公司已發行股本之實際權益被視為與其全資附屬公司HFL所擁有者相同。
- (ii) 由於鴻福持有鴻福貿易之權益，故鴻福擁有本公司已發行股本之實際權益被視為與其全資附屬公司鴻福貿易所擁有者相同。此外，鴻福直接持有本公司已發行股本約3.15%之權益。
- (iii) 由於鴻福實業持有鴻福之權益，故鴻福實業擁有本公司已發行股本之實際權益被視為與其全資附屬公司鴻福所擁有者相同。



Substantial shareholders (CONTINUED)

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section headed "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.

Connected transaction

On 30 April 2002, Winfoong Investment Limited, a wholly-owned subsidiary of the Company, acquired Super Homes Limited, a wholly-owned subsidiary of HFIH, at a consideration of approximately HK\$74.1 million which was funded by way of an open offer of 747,416,993 shares at a price of HK\$0.195 per share on the basis of one offer share for every existing share in issue. HFIH and its wholly-owned subsidiary, HFL, were together interested in approximately 37.7% of the Company's issued share capital at that time. On the other hand, the Group was interested in approximately 20.2% of HFC, a company listed on the Singapore Stock Exchange, which is the immediate holding company of HFIH.

The above connected transaction was approved by the Company's independent shareholders at a special general meeting held on 15 April 2002.

Purchase, sale and redemption of the Company's listed securities

During the year, the Company repurchased and cancelled certain of its listed shares on The Stock Exchange of Hong Kong Limited. Further details of the transactions are set out in note 27 to the financial statements.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

主要股東(續)

除上文所披露者外，並無任何人士(本公司董事除外，彼等之權益已載於上文「董事之股份權益」一節內)曾登記持有根據披露權益條例第16(1)條須予以記錄之本公司股本權益。

關連交易

於二零零二年四月三十日，本公司之全資附屬公司榮豐投資有限公司以代價約74,100,000港元，收購鴻福之全資附屬公司Super Homes Limited，代價按每持有一股現有股份配發一股發售股份之比例以每股0.195港元之價格公開發售747,416,993股股份方式支付。鴻福及其全資附屬公司HFL於當時合共持有本公司已發行股本約37.7%權益。另一方面，本集團則持有鴻福之直接控股公司鴻福實業(一間於新加坡證券交易所上市之公司)約20.2%權益。

以上關連交易已獲本公司獨立股東於二零零二年四月十五日舉行之股東特別大會批准。

購買、出售及贖回本公司上市證券

年內，本公司曾購回及註銷若干其於香港聯合交易所有限公司上市之股份。交易之詳情載於財務報表附註27。

除上文所披露者外，本公司或其任何附屬公司於年內概無購入、出售或贖回任何本公司上市證券。



Code of Best Practice

In the opinion of the directors, the Company complied 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 throughout the accounting year covered by the annual report.

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.

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

Patrick Cheong
Chairman

Hong Kong
28 March 2003

最佳應用守則

董事認為，本公司於年報所涵蓋之整個會計年度均一直遵守香港聯合交易所有限公司證券上市規則附錄十四所載之最佳應用守則。

審核委員會

本公司遵照最佳應用守則之規定成立審核委員會，以審閱及監督本集團之財務匯報程序及內部監控。審核委員會由本公司兩名獨立非執行董事組成。

核數師

安永會計師事務所任滿告退，在即將舉行之股東週年大會上將提呈決議案，續聘其為本公司之核數師。

代表董事會

主席
鍾斌銓

香港
二零零三年三月二十八日