

# Report of the Directors

## 董事會報告

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

### Principal activities

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

During the year, the Group discontinued the provision of broadband Internet equipment, network security software and business software systems following the disposal of DMX Technologies Group Limited and its subsidiaries. Further details are included in note 4 to the financial statements.

Other than the foregoing, there were no significant changes in the nature of the Group's principal activities during the year and up to the date of this report.

### Results

The Group's results for the year ended 31 December 2002 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 40 to 126.

### Summary financial information

The following is a summary of the published consolidated/combined results and the assets, liabilities and minority interests of the Group, prepared on the basis set out in the note below. 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二零零二年十二月三十一日止年度之報告及經審核財務報表。

### 主要業務

本公司之主要業務為投資控股，而本集團各主要附屬公司之主要業務詳情載於財務報表附註15。

年內，本集團繼出售DMX Technologies Group Limited及其附屬公司後，終止提供寬頻互聯網設備、網絡保安軟件及商業軟件系統之業務。有關出售之進一步詳情載於財務報表附註4。

除上述者外，本年度及截至本報告日期止期間，本集團之主要業務性質並無任何重大變動。

### 業績

本集團截至二零零二年十二月三十一日止年度之業績與本公司及本集團於該日期之財務狀況載於第40頁至第126頁之財務報表。

### 財務資料概要

以下為本集團按照下文附註所載基準編製之已公佈綜合／合併業績、資產、負債及少數股東權益概要。該概要並不構成經審核財務報表其中部分。

# Report of the Directors

## 董事會報告

### Summary financial information (continued)

### 財務資料概要 (續)

### Results

### 業績

### Year ended 31 December

### 截至十二月三十一日止年度

		2002	2001	2000	1999	1998
		二零零二年	二零零一年	二零零零年	一九九九年	一九九八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額					
Continuing operations	持續經營業務	188,784	448,684	417,247	350,298	251,490
Discontinued operations	已終止業務	155,084	127,703	—	—	—
		<u>343,868</u>	<u>576,387</u>	<u>417,247</u>	<u>350,298</u>	<u>251,490</u>
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)					
Continuing operations	持續經營業務	(35,317)	(89,178)	20,712	42,405	27,780
Discontinued operations	已終止業務	(99,863)	4,855	—	—	—
		<u>(135,180)</u>	<u>(84,323)</u>	<u>20,712</u>	<u>42,405</u>	<u>27,780</u>
Tax	稅項	(4,065)	(333)	(871)	(6,205)	(4,771)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	未計少數股東權益前溢利／(虧損)	(139,245)	(84,656)	19,841	36,200	23,009
Minority interests	少數股東權益	(8,624)	(4,152)	(1,628)	(1,922)	(30)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務之純利／(淨虧損)	<u>(147,869)</u>	<u>(88,808)</u>	<u>18,213</u>	<u>34,278</u>	<u>22,979</u>

# Report of the Directors

## 董事會報告

### Summary financial information (continued)

### 財務資料概要 (續)

### ASSETS, LIABILITIES AND MINORITY INTERESTS

### 資產、負債及少數股東權益

31 December

十二月三十一日

		2002	2001	2000	1999	1998
		二零零二年	二零零一年	二零零零年	一九九九年	一九九八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
NON-CURRENT ASSETS	非流動資產	58,761	137,165	94,675	27,983	6,152
CURRENT ASSETS	流動資產	264,275	400,488	378,610	245,195	175,589
CURRENT LIABILITIES	流動負債	(143,632)	(239,205)	(128,364)	(139,564)	(151,651)
NET CURRENT ASSETS	流動資產淨值	120,643	161,283	250,246	105,631	23,938
TOTAL ASSETS LESS	資產總值減					
CURRENT LIABILITIES	流動負債	179,404	298,448	344,921	133,614	30,090
NON-CURRENT LIABILITIES	非流動負債	(953)	(629)	(1,529)	(1,833)	(1,037)
MINORITY INTERESTS	少數股東權益	(5,909)	(52,072)	(4,540)	(2,158)	(544)
		<u>172,542</u>	<u>245,747</u>	<u>338,852</u>	<u>129,623</u>	<u>28,509</u>

#### Note

The summary of the published combined results of the Group for the year ended 31 December 1998 has been extracted from the Company's prospectus dated 22 June 1999 (the "Prospectus"). The summary was prepared based on the audited financial statements of the companies then comprising the Group as at 31 December 1998, after appropriate adjustments and reclassifications, as if the Group structure in the Prospectus had been in existence throughout that financial year.

#### 附註

本集團截至一九九八年十二月三十一日止年度之已公佈合併業績概要乃摘錄自本公司於一九九九年六月二十二日刊發之售股章程(「售股章程」)。該概要乃根據組成本集團屬下各公司於一九九八年十二月三十一日時之經審核財務報表於作出適當調整及重新分類後編製。猶如售股章程內本集團之結構於該財政年度已經存在。

## Report of the Directors

### 董事會報告

#### Fixed assets

Details of movements in the fixed assets of the Company and of the Group during the year are set out in note 13 to the financial statements.

#### 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 notes 27 and 28 to the financial statements, respectively.

#### Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity on page 43, respectively.

#### Distributable reserves

At 31 December 2002, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda (as amended), the Company's contributed surplus of HK\$39,431,000 is currently unable to be distributed. The Company's share premium account, in the amount of HK\$341,072,000 at 31 December 2002, may be distributed in the form of fully paid bonus shares.

#### 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 was incorporated, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

#### 固定資產

本公司及本集團固定資產於年內之變動詳情載於財務報表附註13。

#### 股本及購股權

本公司股本及購股權於年內之變動詳情連同變動之理由分別載於財務報表附註27及28。

#### 儲備

本公司及本集團儲備於年內之變動詳情分別載於財務報表附註29及第43頁之綜合權益變動報表。

#### 可分派儲備

於二零零二年十二月三十一日，本公司並無留存溢利可作現金分派及／或實物分派。根據百慕達一九八一年公司法（修訂本），本公司之繳入盈餘39,431,000港元現時無法分派。此外，本公司於二零零二年十二月三十一日之股份溢價賬達341,072,000港元，可按繳足股款紅股之方式分派。

#### 優先認股權

本公司之公司細則或本公司註冊成立之司法權區百慕達之法例均無載有本公司必須按比例向現有股東發售新股份之優先認股權規定。

# Report of the Directors

## 董事會報告

### Purchase, redemption or sale of listed securities of the Company

During the year, the Company repurchased 1,524,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$355,904 before expenses. The repurchased shares were subsequently cancelled. The repurchases were effected by the directors for the enhancement of shareholders value in the long term. Details of the shares repurchased are as follows:

Month of repurchase 購回月份	Number of Shares repurchased 購回股份數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$ 港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
July 2002	二零零二年七月	1,062,000	0.25	0.22	259,180
August 2002	二零零二年八月	<u>462,000</u>	0.21	0.208	<u>96,724</u>
Total	總計	<u><u>1,524,000</u></u>			355,904
Brokerage and other expenses incurred on repurchase of shares	購回股份產生之經紀佣金及其他開支				<u>5,107</u>
					<u>361,011</u>

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

### Major customers and suppliers

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

Purchases from the Group's five largest suppliers accounted for 35% of the total purchases for the year and purchases from the largest supplier included therein amounted to 8% of the Group's total purchases.

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 or suppliers.

### 購買、贖回或出售本公司之上市證券

年內，本公司於香港聯合交易所有限公司購回1,524,000股本公司普通股，扣除開支前，總代價為355,904港元。所購回之股份其後已被註銷。購回乃董事就提高股東長期價值而作出。有關購回股份之詳情載列如下：

除上述者外，本公司或其任何附屬公司於年內並無購買、贖回或出售任何本公司之上市證券。

### 主要客戶及供應商

於回顧年內，向本集團五名最大客戶作出之銷售佔本集團本年度之銷售總額少於30%。

本集團向五名最大供應商作出之採購佔本年度採購總額之35%，而其中向最大供應商作出之採購達8%。

本公司董事、彼等之聯繫人士及據董事會所深知擁有本公司已發行股本5%以上之股東並無擁有任何本集團五大客戶或供應商之實益權益。

## Report of the Directors

### 董事會報告

#### Directors

The directors of the Company during the year were as follows:

##### Executive directors:

Mr Chan Tze Ngon, Ron

Mr Tang Kin Hung, Barry

Mr Chow Siu Lam, Cliff

Ms Teo Chor Khin, Jismyl

(appointed on 1 February 2002 and resigned on 21 July 2002)\*

Mr Emmy Wu (appointed on 15 May 2002)

##### Non-executive directors:

Mr Luk Chung Po, Terence

Ms Teo Chor Khin, Jismyl

(appointed on 21 July 2002 and resigned on 15 October 2002)\*

##### Independent non-executive directors:

Dr Lo Siew Kiong, John, O.B.E., J.P.

Dr Chou Tao Hsiung, Joseph

\* Ms Teo Chor Khin, Jismyl resigned as executive director on 21 July 2002 and was re-appointed as a non-executive director of the Company on the same date.

Subsequent to the balance sheet date, on 16 April 2003, Mr Luk Chung Po, Terence resigned as a non-executive director of the Company.

In accordance with bye-law 114 of the Company's bye-laws, Mr Emmy Wu will retire and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

In accordance with bye-law 111 of the Company's bye-laws, Dr Chou Tao Hsiung, Joseph and Mr Chow Siu Lam, Cliff will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Apart from Mr Chan Tze Ngon, Ron and Mr Emmy Wu, all the other directors of the Company, including the non-executive directors, are subject to retirement by rotation and re-election in accordance with the provisions of the Company's bye-laws.

#### 董事

於年內本公司董事如下：

##### 執行董事：

陳子昂先生

鄧健洪先生

周少霖先生

張楚琴女士

(於二零零二年二月一日委任，後於二零零二年七月二十一日辭任)\*

吳安敏先生 (於二零零二年五月十五日委任)

##### 非執行董事：

陸忠甫先生

張楚琴女士

(於二零零二年七月二十一日委任，後於二零零二年十月十五日辭任)\*

##### 獨立非執行董事：

羅肇強博士, O.B.E., 太平紳士

周道熊博士

\* 張楚琴女士於二零零二年七月二十一日辭任執行董事，並於同日獲重新委任為本公司非執行董事。

於結算日後，陸忠甫先生於二零零三年四月十六日辭任本公司非執行董事。

根據本公司之公司細則第114條，吳安敏先生將退任，並合資格於應屆股東週年大會膺選連任。

根據本公司之公司細則第111條，周道熊博士及周少霖先生將於應屆股東週年大會上輪值告退，惟合資格並願膺選連任。除陳子昂先生及吳安敏先生外，本公司所有其他董事（包括非執行董事）均須根據本公司之公司細則輪值告退並膺選連任。

# Report of the Directors

## 董事會報告

### Directors' and senior management's biographies

Biographical details of the directors of the Company and of the senior management of the Group are set out on pages 18 to 20 of this annual report.

### 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.

### Directors' interests in contracts

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

### Related party transactions and connected transactions

Details of the related party transactions and connected transactions of the Group are set out in note 33 to the financial statements.

### 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本年報第18頁至第20頁。

### 董事之服務合約

於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可於一年內終止而毋須支付除法定補償外賠償之服務合約。

### 董事於合約之權益

除財務報表附註33披露者外，各董事在本公司或其任何附屬公司於年內訂立且對本集團業務有重大影響之合約中，概無擁有直接或間接重大實益權益。

### 有關連人士交易及關連交易

本集團進行之有關連人士交易及關連交易詳情載於財務報表附註33。

## Report of the Directors

## 董事會報告

## Directors' interests in share capital

At 31 December 2002, the interests of the directors and their associates in the issued 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:

## 董事於股本之權益

於二零零二年十二月三十一日，按照本公司依據證券（披露權益）條例（「披露權益條例」）第29條設存之名冊所紀錄，董事及彼等之聯繫人士擁有本公司或其聯營公司已發行股本之權益如下：

Name of director 董事姓名	Number of issued ordinary shares of HK\$0.10 each in the Company held Personal interests 持有本公司每股面值0.10港元 已發行普通股之數目 個人權益		Percentage of holding 持股 百分比
Mr. Chan Tze Ngon, Ron	陳子昂先生	82,614,000	16.48
Mr. Luk Chung Po, Terence	陸忠甫先生	33,630,000	6.71
Mr. Tang Kin Hung, Barry	鄧健洪先生	12,600,000	2.51

In addition to the above, certain directors have 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.

除上述者外，為符合公司最少股東人數之規定，若干董事代本公司持有若干附屬公司之非實益個人股本權益。

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.

除上文披露者外，董事或彼等之聯繫人士概無於本公司或其任何聯營公司（定義見披露權益條例）股本或債券中擁有任何個人、家族、公司或其他權益。



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## 董事會報告

### Directors' rights to acquire shares or debentures

Apart from the share option scheme disclosed in note 28 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 directors or 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.

### Share option scheme

Due to the adoption of the Hong Kong Statement of Standard Accounting Practice 34 "Employee benefits" during the year, most of the detailed disclosures relating to the Company's share option scheme have been moved to note 28 to the financial statements.

Concerning the share options granted during the year to the directors and employees as detailed in note 28 to the financial statements, the directors do not consider it appropriate to disclose a theoretical value of the options granted because in the absence of a readily available market value of the share options on the ordinary shares of the Company, the directors were unable to arrive at an accurate assessment of the value of these share options.

### Substantial shareholders

Other than the shares held by certain directors as set out in the section headed "Directors' interests in share capital" above, no other person had registered an interest in the issued share capital of the Company that was required to be recorded in the register of interests pursuant to Section 16(1) of the SDI Ordinance.

### 董事購入股份或債券之權利

除財務報表附註28所披露之購股權計劃外，於年內任何時間，本公司或其任何附屬公司概無作出任何安排，致令董事或彼等各自之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體之股份而獲益。

### 購股權計劃

由於年內採納香港會計實務準則第34號「僱員福利」，大部分有關本公司購股權計劃之披露詳情已改為載列於財務報表附註28。

就財務報表附註28披露有關年內授予董事及僱員之購股權而言，由於市場並無有關本公司普通股之購股權之市值供參考，董事未能就該等購股權之價值作出準確估值，故董事認為，並不適宜披露購股權之理論價值。

### 主要股東

除上文「董事於股本之權益」一節所載若干董事持有之股份外，概無其他人士持有須依據披露權益條例第16(1)條記錄在權益冊上本公司已發行股本之登記權益。

## Report of the Directors

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#### Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code"), 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 period covered by this annual report, except that the 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 and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

#### Audit Committee

The Company established an audit committee in 1999, which comprises two independent non-executive directors, in accordance with paragraph 14 of the Code. The audit committee meets regularly mainly to consider the nature and scope of audit reviews, the effectiveness of the Group's financial reporting process and internal control systems, and compliance with the relevant rules and regulations.

#### 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 Tze Ngon, Ron**  
Chairman

Hong Kong  
16 April 2003

#### 最佳應用守則

董事會認為，除本公司之非執行董事並無根據香港聯合交易所有限公司之證券上市規則附錄十四所載之最佳應用守則（「守則」）第7段規定指定任期，但須根據本公司之公司細則於本公司之股東週年大會上輪值告退及膺選連任外，本公司於本年報所述會計期間一直遵守守則。

#### 審核委員會

本公司已根據守則第14段之規定於一九九九年成立一個由兩位獨立非執行董事組成之審核委員會。該審核委員會定期開會，主要考慮審核之性質及範圍、本集團財務申報程序及內部監控系統之成效，以及是否已遵守相關規則及條例。

#### 核數師

安永會計師事務所任滿告退，而續聘該公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

主席  
陳子昂

香港  
二零零三年四月十六日