

The directors present their annual report and the audited financial statements for the year ended 31st March, 2003.

PRINCIPAL ACTIVITIES

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

In March 2003, the directors determined to abandon the Group's satellite Tele communication and stage construction businesses. Details of the discontinuing operations are set out in note 6 to the financial statements.

RESULTS

The results of the Group for the year ended 31st March, 2003 are set out in the consolidated income statement on page 20.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 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, 2003.

The five largest suppliers of the Group accounted for less than 30% of the Group's purchases for the year ended 31st March, 2003.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 30 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
- (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 account.

In the opinion of the directors, the Company does not have reserves available for distribution to shareholders as at 31st March, 2003.

PROPERTY, PLANT AND EQUIPMENT

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

董事會欣然提呈截至二零零三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，其主要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。

於二零零三年三月，董事會決定終止本集團的衛星通訊和舞台建設之業務。有關不持續經營業務的詳情載入於財務報表附註6。

業績

有關本集團截至二零零三年三月三十一日之業績詳情載於第20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28。

主要客戶與供應商

截至二零零三年三月三十一日止年度，本集團五大客戶之總銷貨額少於本集團營業額之30%。

截至二零零三年三月三十一日止年度，本集團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30。

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) 公司在繳款或將在繳款後則不能清還到期之負債。
- (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。

就董事們之意見，本公司在二零零三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

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。

DIRECTORS

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

Executive directors:

Mr. Kwok Yan Lam (*Chairman*)

Mr. Kwok Hing Lam (*Deputy Chairman and Managing Director*)

Non-executive director:

Mr. Alan Wang Wai Kwan

Independent non-executive directors:

Mr. David Chi Kin Ng

Mr. Kin Wai Cheung

In accordance with Clause 87 of the Company's Bye-laws, Mr. David Chi Kin Ng retires and, being eligible, offers himself for re-election.

The terms of office of the non-executive director and each independent non-executive director are the period up to their 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 directors giving to the other 6 months' notice in writing.

DIRECTORS' INTERESTS IN SHARES

At 31st March, 2003, 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:

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 羚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	—

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：

藍國恩先生(主席)

藍國慶先生(副主席兼董事總經理)

非執行董事：

關宏偉先生

獨立非執行董事：

伍志堅先生

張健偉先生

根據本公司之公司附例第87條，伍志堅先生現依章告退，惟願膺選連任。

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。除非和直至被公司終止或董事以六個月書面通知解約有關之服務合約將仍然生效或為止。

董事之股份權益

於二零零三年三月三十一日，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，各董事於本公司和其聯繫公司之股本權益如下：

Note:

At 31st March, 2003, 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, 2003.

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.

SHARE OPTIONS

The Company has share options schemes 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 options schemes and the options granted to the directors are set out in note 29 to the financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, 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, 2003, 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.

附註：

於二零零三年三月三十一日，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」）各有權在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由Optimist所持之1,940,826,660本公司股份之權益。

於二零零三年三月三十一日，除上文所述權益及部份董事以本公司代理人持有本公司某些附屬公司股份之外，概無董事、主要行政人員或其聯繫人士於本公司或其任何聯繫公司（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。

董事於重大合約的權益

於本年度止或任何期間，本公司或其任何附屬公司概無訂立與本公司董事直接或間接有重大利益之合約。

購股權計劃

根據購股權計劃，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。購股權計劃和向董事獲授出購股權的詳情載於財務報表附註29。

董事收購股份或債券之權利

於上述披露外，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獲得利益。亦無董事或主要行政人員或其配偶或其低於十八歲之子女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

於二零零三年三月三十一日，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 SECURITIES

During the year, neither the Company nor any of its 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, or the law of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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 of Hong Kong Limited.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$5,000.

POST BALANCE SHEET EVENT

Details of the post balance sheet event are set out in note 40 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, 26th July, 2003

購入、出售或贖回本公司之上市證券

年內，本公司及其附屬公司概無購入、出售或贖回任何本公司之上市證券。

優先購買權

根據本公司附例或百慕達法例並無優先購買權的規定。將要求公司以按比例基準向現有股東給予新股。

公司管治

據董事所知，於截至二零零三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。

捐贈

年內，本集團之慈善捐贈為5,000港元。

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40。

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，二零零三年七月二十六日