

REPORT OF THE DIRECTORS



REPORT OF THE DIRECTORS

董事會報告書

董事會茲提呈截至二零零二年六月三十日止年度之報告及經審核賬目。

The directors submit their report together with the audited accounts for the year ended 30th June 2002.

按主要業務及地域劃分之營運分析

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

本公司之主要業務為投資控股。其附屬公司之業務載於賬目附註31。

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 31 to the accounts.

本集團本年度按主要業務及地域劃分之營業額及分部業績分析載於賬目附註2。

An analysis of the Group's turnover and segment results for the year by principal activities and geographical areas is set out in note 2 to the accounts.

業績及溢利分配

RESULTS AND APPROPRIATIONS

本年度之業績載於第38頁之綜合損益表內。

The results of the Group for the year are set out in the consolidated profit and loss account on page 38.

董事會不建議派發股息。

The directors do not recommend the payment of a dividend.

五年財務摘要

FIVE YEAR FINANCIAL SUMMARY

本集團過去五年財政年度之業績、資產及負債之摘要載於第4頁。

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 4.

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儲備

本集團及本公司儲備於年內之變動載於賬目附註21。

捐款

本集團在本年度作出之慈善及其他捐款合共港幣142,000元(二零零一年：無)。

固定資產

本集團之固定資產變動詳情載於賬目附註11。

股本

本公司之股本變動詳情載於賬目附註20。

可分派儲備

本公司於二零零二年六月三十日之可分派儲備為港幣52,558,000元(二零零一年：港幣55,404,000元)，包括實繳盈餘港幣51,852,000元(二零零一年：港幣51,852,000元)，而實繳盈餘只在符合賬目附註21所載各項條件方可予以分派。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 21 to the accounts.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$142,000 (2001: Nil).

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 11 to the accounts.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 20 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 30th June 2002 amounted to HK\$52,558,000 (2001: HK\$55,404,000), including contributed surplus of HK\$51,852,000 (2001: HK\$51,852,000) which is only distributable subject to conditions as set out in note 21 to the accounts.

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銀行貸款、透支及其他借貸之詳情

於二零零二年六月三十日，銀行貸款、透支及其他借貸之詳情載於賬目附註18、19、22及23。

購股權計劃

於一九九九年六月二十八日（「開始日期」），本公司之股東批准一項購股權計劃（「計劃」）。購股權計劃之詳情如下：

(a) 計劃之目的

計劃旨在確認本集團執行董事及僱員所作之貢獻，並挽留對本集團有重大貢獻之僱員。

(b) 計劃之參與者

本公司可給予本公司及其附屬公司任何全職僱員（「僱員」，包括任何執行董事）可認購本公司股份之購股權（「購股權」）。

PARTICULARS OF BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of bank loans, overdrafts and other borrowings as at 30th June 2002 are set out in notes 18, 19, 22 and 23 to the accounts.

SHARE OPTIONS SCHEME

On 28th June 1999 (the “Commencement Date”), a share option scheme (the “Scheme”) was approved by the shareholders of the Company. Details of the Scheme are as follows:

(a) Purposes of the Scheme

The purposes of the Scheme are to recognise the contribution made by the executive directors and the employees of the Group and to retain the services of the employees who will make valuable contribution to the Group.

(b) Participants of the Scheme

The Company may offer to grant share options (the “Options”) to any full-time employees (the “Employee”), including any executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

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購股權計劃 (續)

(c) 根據計劃可發行之股份數目上限

根據計劃可發行之最高股份數目為95,640,358股，相等於本報告日期本公司已發行股本之10%。

(d) 每名參與者可獲購股權數目上限

倘僱員全面行使所獲購股權會導致可認購之股份數目，加上已行使全部先前已獲授購股權而發行之股份總數及所有先前已獲授但尚未行使之購股權可發行之股份數目，超過當時根據計劃已發行及可發行股份總數之25%，則本公司不得向該僱員授出任何購股權。

SHARE OPTIONS SCHEME (Cont'd)

(c) Maximum number of shares available for issue under the Scheme

The maximum number of shares available for issue under the Scheme is 95,640,358, representing 10% of the issued share capital of the Company at the date of this report.

(d) Maximum entitlement of each participant

No Employee shall be granted an Option which, if exercised in full, would result in such Employee becoming entitled to subscribe for such number of shares as when aggregated with the total number of shares already issued under all the Options previously granted to him which have been exercised, and, issuable under all the Options previously granted to him which are for the time being subsisting and unexercised, would exceed 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

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購股權計劃 (續)

(e) 購股權之限期行使期及計劃之屆滿期

計劃自開始日期起計10年內有效，將二零零九年六月二十七日屆滿，計劃限期屆滿後將不再授出任何購股權。購股權可即時於接納當日起計5年內行使，或於接納日後滿6個月、12個月或18個月至5年限期之到期日期間內行使。

(f) 接納購股權建議時應付之代價

僱員於接納購股權建議時應付港幣1元之代價。

(g) 釐定認購價之基準

董事會負責釐定行使根據計劃授出之購股權認購股份時應付之認購價，並知會僱員，而認購價不得低於(i)建議授出購股權當日(「建議日期」)前五個交易日股份在聯交所每日報價表所列之平均收市價80%；或(ii)本公司股份面值(以較高者為準)。

SHARE OPTIONS SCHEME (Cont'd)

(e) Remaining life and the exercisable period of the Options

The Scheme shall be valid and effective for a period of 10 years from the Commencement Date and it will remain valid until 27th June 2009, after which period no further Options will be granted. The Options granted may be exercised at any time during a period of 5 years commencing immediately, or on the expiry of 6 months, 12 months or 18 months after the date upon which the Options is accepted and expiring on the last day of the 5 years' period.

(f) Payment on acceptance of the Options offer

A sum of HK\$1 is payable by the Employee on acceptance of the Options offer.

(g) Basis of determining the subscription price

The subscription price for shares in relation to the Options to be granted under the Scheme shall be determined by the Board of Directors and notified to an Employee, being not less than (i) 80% of the average of the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five trading days immediately preceding the date of grant of the Options; or (ii) the nominal value of the shares of the Company, whichever is the higher.

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購股權計劃 (續)

根據計劃已授出予本集團之若干董事及僱員但於二零零二年六月三十日尚未行使之購股權詳情如下：

SHARE OPTIONS SCHEME (Cont'd)

Details of the Options outstanding as at 30th June 2002 which have been granted to certain directors and employees of the Group under the Scheme are as follows:

	於二零零一年 七月一日 持有之購股權 數目 Number of options held at 1st July 2001 以千計 '000	於年內 註銷之 購股權 數目 Number of options cancelled during the year 以千計 '000	於二零零二年 六月三十日 持有之購股權 數目 Number of options held at 30th June 2002 以千計 '000	行使價 Exercise price 港元 HK\$	授出日期 Grant date	行使期開始 Exercisable from	行使期終結 Exercisable until
董事：							
Directors:							
林小明先生 Mr Lam Shiu Ming Daneil	22,500	—	22,500	0.4	二零零零年六月十九日 19th June 2000	二零零零年六月十九日 19th June 2000	二零零五年六月十八日 18th June 2005
趙雪英女士 Ms Chiu Suet Ying	22,500	—	22,500	0.4	二零零零年六月十九日 19th June 2000	二零零零年六月十九日 19th June 2000	二零零五年六月十八日 18th June 2005
楊劍標先生 Mr Yeung Kim Piu	6,000	—	6,000	0.5	二零零零年六月十九日 19th June 2000	二零零零年十二月十九日 19th December 2000	二零零五年六月十八日 18th June 2005
連續受僱之合約僱員 Continuous contract employees	16,500	(16,500)	—	0.5	二零零零年六月十九日 19th June 2000	二零零零年十二月十九日 19th December 2000	二零零五年六月十八日 18th June 2005
	10,450	(10,450)	—	0.5	二零零零年六月十九日 19th June 2000	二零零一年六月十九日 19th June 2001	二零零五年六月十八日 18th June 2005
	2,500	(2,500)	—	0.5	二零零零年六月十九日 19th June 2000	二零零一年十二月十九日 19th December 2001	二零零五年六月十八日 18th June 2005

於二零零二年一月三十日，所有連續合約僱員持有之購股權均已交回及註銷。

On 30th January 2002, all share options held by the continuous contract employees were surrendered and cancelled.

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董事

年內在任董事如下：

林小明先生

趙雪英女士

楊劍標先生

趙善改先生* (於二零零一年十一月二十六日辭任非執行董事並於二零零二年五月二十一日重新委任為獨立非執行董事)

伍國棟先生*

鄧耀榮先生* (於二零零二年五月二十七日辭任)

* 獨立非執行董事

趙雪英女士及楊劍標先生根據公司細則第87(1)條任滿將會輪值告退，而趙雪英女士符合資格並願膺選連任。楊劍標先生已通知董事會表示無意重選連任。

並無明確任期之獨立非執行董事須按照本公司細則輪值告退。

DIRECTORS

The directors during the year were:—

Mr LAM Shiu Ming, Daneil

Ms CHIU Suet Ying

Mr YEUNG Kim Piu

Mr CHIU Shin Koi* (resigned on 26th November 2001 as non-executive director and re-appointed on 21st May 2002 as independent non-executive director)

Mr NG Kwok Tung*

Mr TANG Yiu Wing* (resigned on 27th May 2002)

* Independent non-executive directors

Ms CHIU Suet Ying and Mr YEUNG Kim Piu, retire by rotation in accordance with Article 87(1) of the Company's Bye-Laws. Ms CHIU Suet Ying being eligible, offer herself for re-election. Mr. YEUNG Kim Piu has informed the Board that he will not offer himself for re-election.

Independent non-executive directors who have not been appointed for a specific term are subject to retirement by rotation as specified by the Company's Articles of Association.

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董事會報告書

董事服務合約

林小明先生及趙雪英女士已分別與本公司訂立服務合約，由一九九九年七月一日起計，為期三年，其後可由任何一方事先以六個月書面通知予以終止，而通知期不得於首年內任何時間屆滿。根據服務合約，按照董事會所酌情應付予各董事之酬金每年可增加不超過15%，而各董事可獲發一項酌情花紅，惟於該年度應付予所有董事之花紅總金額不得超過本集團之除稅及少數股東權益後但未計非經常及特殊項目及該等花紅之經審核純利5%。每年薪金增加之金額及根據服務合約應付之花紅乃由董事會全權酌情決定，惟該等服務合約有關各方不可就董事會作出有關彼之任何決定投票或計入法定人數內。各董事亦可獲取在農曆新年前應付之一筆為數相等於一個月薪金之花紅。

林小明先生及趙雪英女士之服務合約已重新訂立及於二零零二年七月一日起生效，為期三年，一切合約條款保持不變。

DIRECTORS' SERVICE CONTRACTS

Mr LAM Shiu Ming, Daneil and Ms CHIU Suet Ying have each entered into a service contract with the Company for a term of three years commencing 1st July 1999, which may be terminated by either party thereto giving to the other six months' prior notice in writing, which notice period shall not expire at any time during the first year. Under these service contracts, the remuneration payable to each of them may, subject to the discretion of the directors, be increased by not more than 15 percent per annum and they will each be entitled to discretionary bonus provided that the total amount of bonuses payable to all the directors for such year shall not exceed five percent of the Group's audited net profit after taxation and minority interests but before extraordinary and exceptional items and the payment of such bonus. The amount of the annual salary increase and the bonus payable under such service contracts is at the sole discretion of the board of directors provided that the respective parties to such service contracts may not vote or be counted in the quorum in respect of any such determination of the board of directors in relation to him or her. Each of these directors is also entitled to a fixed sum bonus equal to one month's salary payable before the Chinese New Year.

The service contracts for Mr LAM Shiu Ming, Daneil and Ms CHIU Suet Ying have been renewed for a term of three years commencing 1st July 2002, with the contract terms remain unchanged.

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董事服務合約 (續)

楊劍標先生與本公司訂立服務合約，由二零零零年十月三日起計，為期三年，有關條款與上述者相同。

除上文所披露者外，擬於應屆股東週年大會上候選連任之董事並無與本公司訂立本公司於一年內不作賠償(法定賠償除外)則不可終止之服務合約。

董事之合約權益

本公司、其控股公司、其附屬公司或同系附屬公司概無參與訂立於結算日或年內任何時間仍然生效、對本集團業務有重要影響而本公司董事直接或間接擁有重大實際權益之合約。

董事之股本或債券

按本公司根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所載，於二零零二年六月三十日，各董事、行政總裁及彼等之聯繫人士概無擁有本公司及其任何相聯法團(定義見披露權益條例)之股本權益(下述購股權除外)。

DIRECTORS' SERVICE CONTRACTS (Cont'd)

Mr YEUNG Kim Piu has entered into a service contract with the Company for a term of three years commencing 3rd October 2000 subject to the above same terms.

Save as disclosed above, 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.

DIRECTOR'S INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its holding company, its subsidiaries or its fellow 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' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 30th June 2002, none of the directors, chief executives and their associates had any interests in the share capital, apart from share options as described above, of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance.

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董事之股本或債券 (續)

除上述購股權計劃外，各董事（包括彼等之配偶及未滿18歲之子女）並無獲授予或行使任何可認購本公司股份之權利。

此外，本公司、其控股公司、其附屬公司或其同系附屬公司於年內並無訂立任何安排，使本公司董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

主要股東

於二零零二年六月三十日，根據證券披露權益條例第16(1)條存置之主要股東名冊所示，本公司獲悉以下佔本公司已發行股本10%或以上之主要股東權益。

股東名稱

Name of shareholder

Globalcrest Enterprises Limited

Globalcrest Enterprises Limited 為一間由一個全權信託之受託人直接持有之公司。林小明先生及趙雪英女士之若干直系親屬為該信託之受益人。

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES (Cont'd)

Apart from the share option scheme mentioned above, none of the directors (including their spouse and children under 18 years of age) had been granted, or exercised, any rights to subscribe for shares of the Company.

In addition, at no time during the year was the Company, its holding company, its subsidiaries or its fellow subsidiaries a party to any arrangement 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.

SUBSTANTIAL SHAREHOLDERS

At 30th June 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital.

普通股數目

Number of ordinary shares

576,754,470

Globalcrest Enterprises Limited is a company directly held by the trustee of a discretionary trust under which certain immediate family members of Mr LAM Shiu Ming, Daneil and Ms CHIU Suet Ying are discretionary objects.

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管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存在任何合約。

優先購買權

儘管百慕達法律並無限制優先購買權，但本公司之公司細則並無有關權利之規定。

主要供應商及客戶

年內，本集團售予其五大客戶之貨品與服務不足30%。年內本集團主要供應商所佔之購貨百分比如下：

購貨額	
— 最大供應商	12.16%
— 五大供應商合計	39.68%

各董事、彼等之聯繫人士或任何股東(就董事所知擁有本公司逾5%之股本)概無擁有上述主要供應商之任何權益。

MANAGEMENT CONTRACTS

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

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-Laws and there are no restrictions against such rights under the laws in Bermuda.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the Group sold less than 30% of its goods and services to its five largest customers. The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

Purchases	
— the largest supplier	12.16%
— five largest suppliers combined	39.68%

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

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結算日後事項

於結算日後，本公司於二零零二年七月二十五日贖回本金總額7,000,000美元之無抵押可換股票據。

本集團於二零零二年九月五日購入一項物業，有關代價為港幣13,500,000元，其中港幣9,500,000元以按揭貸款支付，其餘港幣4,000,000元則以內部現金支付。

核數師

本賬目已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟符合資格並願受聘連任。

承董事會命

林小明

主席

香港，二零零二年十月二十二日

SUBSEQUENT EVENTS

Subsequent to the year end date the unsecured convertible notes in the aggregate principal amount of US\$7,000,000 are redeemed by the Company on 25th July 2002.

On 5th September 2002, the Group purchased a property at a consideration of HK\$13,500,000 which was financed by a mortgage loan and internal cash of HK\$9,500,000 and HK\$4,000,000 respectively.

AUDITORS

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

On behalf of the Board

LAM Shiu Ming, Daneil

Chairman

Hong Kong, 22nd October 2002