

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are trading and distribution of chemicals, materials and equipment used in the manufacture of printed circuit boards and electronic products and the manufacture of electrical and electronic products for OEM customers.

RESULTS

The results of the Group for the year ended 31st December 2002 are set out in the consolidated income statement on page 43.

The Directors do not recommend the payment of a dividend and propose that the profit for the year be retained.

FIXED ASSETS

During the year, the Group incurred costs of approximately HK\$199 million for the construction of new factory buildings in the People's Republic of China. During the year, the construction of the factory buildings with a total cost of approximately HK\$502 million was completed and transferred to the leasehold factory premises and machinery and equipment.

Details of these and other movements during the year in the fixed assets of the Group are set out in note 15 to the financial statements.

董事會報告書

董事會同寅謹將本公司截至二零零二年十二月三十一日止年度報告及已審核之財務報表送呈各股東省覽。

主要業務

本公司屬投資控股公司，其主要附屬公司之主要業務為貿易及分銷用以製造印刷電路板及電子產品之化學品、物料及設備及為原產品客戶製造電器及電子產品。

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載於第43頁之綜合收益表內。

本公司董事並不建議派發股息，並建議將本年度溢利留存。

固定資產

於本年度內，本集團斥資約港幣一億九千九百萬元於中華人民共和國興建多棟新工廠廠房。本年度內，總成本約為港幣五億零二百萬元之廠房建造工程經已竣工，並轉撥入租賃廠房物業及機器及設備。

上述變動及本集團固定資產於本年度之其他變動詳情刊載於財務報表附註15。

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the financial statements. There was no movement in the share capital during the year.

RESERVES

Details of the movements during the year in the reserves of the Group and the Company are set out in note 29 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.

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.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$772,000.

MAJOR CUSTOMERS AND SUPPLIERS

34% of turnover and 30% of purchases during the year were attributable to the Group's five largest customers and suppliers respectively. 8% of sales and 11% of purchases during the year were attributable to the Group's largest customer and supplier respectively. None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest customers or five largest suppliers.

股本

本公司股本之詳情刊載於財務報表附註28。年內股本並無變動。

儲備

本集團及本公司本年度之儲備變動詳情刊載於財務報表附註29。

優先購買權

本公司之公司細則或百慕達法例均無訂明有關本公司必須按現有股東之持股比例向彼等提呈發售新股份之優先購買權之規定。

購買、出售或贖回本公司上市股份

本公司或其任何附屬公司概無於本年度內購買、出售或贖回本公司任何上市證券。

慈善捐款

本年度內本集團之慈善捐款總額為港幣七十七萬二千元。

主要顧客及供應商

本集團之五大顧客及供應商所佔本年度之營業額及採購額分別為34%及30%。本集團之最大顧客及供應商所佔本年度之銷售額及採購額分別為8%及11%。本公司各董事及其聯繫人士或任何股東(董事會獲知擁有本公司已發行股本5%或以上)概無在該五大顧客或五大供應商佔有任何權益。

DIRECTORS

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

Executive Directors

Senta Wong

Edward Ying-Chun Tsui

Byron Shu-Chan Ho

Bengie Man-Hang Kwong

Hamed Hassan EL-ABD

Independent Non-Executive Directors

Peter Chung-Yin Lee

John Ho

Philip Wan-Chung Tse

Gene Howard Weiner

In accordance with Bye-laws 103 to 105 of the Company's Bye-laws, Mr. Edward Ying-Chun Tsui and Mr. Gene Howard Weiner shall retire by rotation and, being eligible, offer themselves for election.

The term of office for each Independent Non-Executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

本年度內及截至本報告刊發日期本公司之董事為：

執行董事

王忠桐

徐應春

何樹燦

鄭敏恒

Hamed Hassan EL-ABD

獨立非執行董事

李仲賢

何約翰

謝宏中

Gene Howard Weiner

依照本公司之公司細則第一零三至一零五條規定，徐應春先生及 Gene Howard Weiner 先生任期屆滿，輪值告退，並願意接受提選連任。

各獨立非執行董事之任期乃直至其根據本公司之公司細則輪席告退為止之期間。

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本集團訂立任何本集團於一年內終止則須作出賠償(法定補償除外)之服務合約。

DIRECTORS' INTERESTS IN SHARES

(i) Shares

At 31st December 2002, the interests of the Directors and their associates in the share capital 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 pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows :

(a) The Company

董事於股份之權益

(一) 股份

於二零零二年十二月三十一日，根據證券「披露權益」條例（「披露權益條例」）第二十九條予以保存之登記冊之記錄，或根據上市公司董事進行證券交易之規範守則已向本公司及香港聯合交易所有限公司作出之通知，董事及彼等之聯繫人士在本公司及其相聯法團（按披露權益條例之釋義）之已發行股本中擁有之權益如下：

(a) 本公司

Name of Directors 董事姓名	Number of ordinary shares in the Company 本公司普通股股數				
	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益	Other Interests 其它權益	Total Interests 總計
Senta Wong 王忠桐	—	1,886,000	—	255,031,310 ⁽ⁱ⁾	256,917,310
Edward Ying-Chun Tsui 徐應春	7,311,920	—	—	—	7,311,920
Byron Shu-Chan Ho 何樹燦	2,300,000	1,830,000	—	—	4,130,000
Bengie Man-Hang Kwong 鄺敏恒	2,700,000	—	—	—	2,700,000
Gene Howard Weiner	180,000	—	—	—	180,000

Note: (i) Amongst the 255,031,310 shares:

- (a) 185,640,044 shares were beneficially owned by Greatway Company Inc., the entire share capital of which was held by the trustee of a discretionary trust established for the benefit of Mr. Senta Wong and certain charitable objects in Hong Kong; and
- (b) 69,391,266 shares were held by Senta Wong Company Limited, which is wholly-owned by Mr. Senta Wong, his wife, Mrs. Wong Wu Lai Ming, and their three children, namely, Vinci Wong, Ava Wong and Orangeo Wendy Wong.

附註：(i) 在該255,031,310股股份中：

- (a) 185,640,044股股份由 Greatway Company Inc. 實益擁有，該公司之全部股本則由一項為王忠桐先生及香港若干慈善事業權益而設之全權信託之受託人持有；及
- (b) 69,391,266股股份由 Senta Wong Company Limited 持有，該公司由王忠桐先生、其妻子王胡麗明女士及彼等之三名子女 王賢誌、王賢慧及王賢德全資擁有。

(b) Associated corporation

Mr. Senta Wong beneficially owned 25 ordinary shares, representing 12.5%, in the issued share capital of Golden Crown Limited, an associate of the Company.

Other than as disclosed above, none of the Directors or chief executives, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the Directors or chief executives, nor 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.

SHARE OPTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 30th May 1990 for the primary purpose of providing incentives to Directors and eligible employees. The share option scheme expired on 24th July 2002. No share option was granted or exercised during the period up to the expiry of the share option scheme.

Details of the Company's share option scheme are set out in note 33 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 or shares in, or debentures of, the Company or any other body corporate.

(b) 相聯法團

王忠桐先生實益擁有 Golden Crown Limited 之25股普通股，佔其已發行股份12.5%。Golden Crown Limited 乃本公司之聯營公司。

除上文所披露者外，董事或主要行政人員，或彼等各自之聯繫人士概無於本公司或其任何相聯法團(定義見披露權益條例)之任何證券中擁有任何權益，且董事或主要行政人員，或彼等之配偶或十八歲以下之子女概無擁有可認購本公司證券之任何權利，或於本年度內曾行使任何該等權利。

購股權

本公司根據於一九九零年五月三十日通過之決議案採納購股權計劃(「該計劃」)，主要目的在於獎勵董事及合資格僱員，該計劃已於二零零二年七月二十四日屆滿。期內直至購股權計劃期滿之日概無購股權獲授出或行使。

本公司購股權計劃之詳情載於財務報表附註33。

購買股份或債券之安排

除上文披露者外，於本年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使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益。

DIRECTORS' INTERESTS 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.

SUBSTANTIAL SHAREHOLDERS

At 31st December 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain Directors, the following shareholders had an interest of 10% or more in the share capital of the Company :

Shareholders 股東	Number of shares 股份數目	%
(1) W. S. Wong & Sons Company Limited (Note 1) 王華湘父子有限公司 (附註1)	144,993,445	20.93
(2) Greatway Company Inc. (Notes 2 & 3) (附註2和3)	185,640,044	26.80
(3) Senta Wong Company Limited (Note 4) (附註4)	69,391,266	10.02

Notes:

- (1) W. S. Wong & Sons Company Limited was controlled by the Wong's family.
- (2) The entire issued share capital of Greatway Company Inc. was held by the trustee of a discretionary trust established for the benefit of Mr. Senta Wong and certain charitable objects in Hong Kong.
- (3) On 1st November 2001, the legal title in 19,816,749 shares ("Shares") was transferred by W. S. Wong & Sons Company Limited to Greatway Company Inc. However, since these Shares are held by Greatway Company Inc. as bare trustee for W. S. Wong & Sons Company Limited, such transfer did not constitute a notifiable transaction under the SDI Ordinance and accordingly such transfer is not reflected in the above table.
- (4) Senta Wong Company Limited, which is wholly owned by Mr. Senta Wong, his wife, Mrs. Wong Wu Lai Ming, and their three children, namely, Vinci Wong, Ava Wong and Orangeo Wendy Wong.

董事於重大合約之權益

本公司董事概無在本公司或其任何附屬公司參與訂立而於是年末或於是年內任何時候仍然有效之重大合約中直接或間接擁有任何重大權益。

主要股東

於二零零二年十二月三十一日，依照披露權益條例第十六(一)條而保存之主要股東登記冊所示，除上述披露若干董事之權益外，下列股東擁有本公司10%或以上之股本權益：

附註：

- 一、 王華湘父子有限公司由王氏家族所控制。
- 二、 Greatway Company Inc. 之全部股本則由一項為王忠桐先生及香港若干慈善事業權益而設之全權信託之受託人持有。
- 三、 於二零零一年十一月一日，王華湘父子有限公司向 Greatway Company Inc. 轉讓19,816,749股股份之法定所有權。然而，由於該等股份乃由 Greatway Company Inc. 以王華湘父子有限公司之被動受託人身份持有，根據披露權益條例，該項轉讓並不須予以呈報，因此該項轉讓並無於上表反映出來。
- 四、 Senta Wong Company Limited由王忠桐先生、其妻子王胡麗明女士及彼等之三名子女王賢誌、王賢慧及王賢德全資擁有。

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31st December 2002.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 34 to the financial statements.

PRACTICE NOTE 19 TO THE LISTING RULES

In May 2001, the Company and a group of its wholly-owned subsidiaries have entered into a syndicated loan agreement with banks, which are independent third parties, for a transferable term loan facility of up to HK\$120 million made available to WKK Technology Limited, an indirectly wholly-owned subsidiary of the Company. The final repayment date of the loan is 18th May 2004. Under the terms and conditions of the loan agreement, the following would constitute an event of default: (a) if Mr. Senta Wong, the controlling shareholder of the Company, and his associates, together with any company beneficially owned or controlled by any of them, cease to be the largest single shareholder, or group of shareholders, in the Company; (b) if Mr. Senta Wong, his associates and his other family members, together with any company beneficially owned or controlled by any of them, cease to own or control (directly or indirectly) 35% or more of the issued share capital of the Company; or (c) if Mr. Senta Wong ceases to be actively involved in the management of the Company. Under the loan agreement, if any of the above occurs, all amounts outstanding and owing under the facility may become immediately due and payable. As at the date of this report, none of the events of default has occurred.

除上述披露外，本公司於二零零二年十二月三十一日止並無獲悉任何其他人士持有佔本公司已發行股本之10%或以上權益。

退休福利計劃

本集團退休福利計劃之詳情列載於財務報表附註34。

上市規則第19項應用指引

於二零零一年五月，本公司及其多間全資附屬公司與銀行（屬獨立第三方）訂立一項銀團貸款協議，內容關於一筆借予本公司間接全資附屬公司王氏港建科技有限公司為數港幣一億二千萬元之可轉讓定期貸款融資。該筆貸款融資之最後還款日為二零零四年五月十八日。根據貸款協議之條款及條件，下列情況均會構成違約事項：(a)倘王忠桐先生（本公司之控股股東）及其聯繫人士（連同彼等任何一位實益擁有或控制之任何一間公司）不再為本公司最大單一股東或一組股東；(b)倘王忠桐先生、其聯繫人士及其家庭成員（連同彼等任何一位實益擁有或控制之任何一間公司）不再直接或間接擁有或控制本公司已發行股本之35%或以上；或(c)倘王忠桐先生不再積極參與本公司之管理事務。根據貸款協議，倘出現上述任何情況，一切結欠貸款均可能須立即償還。於本報告刊發日期，概無出現上述任何違約事項。

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December 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, except that the Independent Non Executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

JOINT AUDITORS

The financial statements for the year have been jointly audited by Messrs. Deloitte Touche Tohmatsu and Messrs. Ho and Ho & Company.

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

企業管治

本公司於截至二零零二年十二月三十一日止年度內已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，除獨立非執行董事並無指定任期，惟須根據本公司細則於本公司之股東週年大會上輪值告退及重選連任之外。

聯席核數師

本年度之財務報表由德勤•關黃陳方會計師行及何錫麟會計師行聯席審核。

一項決議案將在股東週年大會上提呈，以繼續委任德勤•關黃陳方會計師行及何錫麟會計師行為本公司聯席核數師。

On behalf of the Board

Senta Wong

Chairman

Hong Kong, 4th April 2003

承董事會命

王忠桐

主席

香港，二零零三年四月四日