

# Report of the Directors

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

## CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting held on 19 August 2002, the name of the Company was changed from "Global China Technology Group Limited" to "Global China Group Holdings Limited" with effect from 27 August 2002.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's principal subsidiaries are set out in note 44 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

## RESULTS

The Group's profit 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 46 to 169.

## DISTRIBUTION

The directors have proposed a distribution of HK\$0.01 per share to the shareholders of the Company (the "Distribution"). The Distribution is conditional, amongst others, upon the approval by the Company's shareholders, at a special general meeting to be convened, of the proposed resolutions for the reduction of the Company's share premium account, applying the credit arising therefrom to offset the Company's accumulated losses and increasing the Company's contributed surplus.

董事謹提呈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年報及經審核財務報表。

## 更改公司名稱

根據於二零零二年八月十九日舉行之特別股東大會所通過之特別決議案，本公司之名稱自二零零二年八月二十七日起已由「Global China Technology Group Limited」易名為「Global China Group Holdings Limited」。

## 主要業務

本公司之主要業務為投資控股，其主要附屬公司之主要業務載於財務報表附註44內。本集團之主要業務性質在本年度內並無重大變動。

## 業績

本集團截至二零零二年十二月三十一日止年度之溢利及本公司與本集團於當日之業務狀況載於第46至169頁財務報表內。

## 分派

董事建議向本公司股東作出每股0.01港元之分派（「分派」）。分派須待本公司股東於本公司股東特別大會上通過擬就削減本公司股份溢價賬、動用所得進賬以抵銷本公司之累計虧損以及增加本公司繳入盈餘而提呈之決議案後，方可作實。

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years/period, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 174. This summary does not form part of the audited financial statements.

## FIXED ASSETS

Details of movements in the fixed assets of the Company and the Group during the year are set out in note 15 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 34 and 35 to the financial statements, respectively.

## 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.

## CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling HK\$43,000 (2001: HK\$13,000).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## 財務資料概要

本集團過去五個財政年度／期間之已公佈業績以及資產負債概要載於第174頁內。概要乃摘錄自經審核財務報表並經適當重新分類，但並不屬於經審核財務報表之一部份。

## 固定資產

本公司與本集團之固定資產在本年度之變動詳情載於財務報表附註15內。

## 股本及購股權

本公司之股本及購股權於本年度之變動詳情及原因分別載於財務報表附註34及35內。

## 優先購買權

本公司之公司細則或百慕達法例中並無優先購買權之規定，強制本公司須按比例向現時股東呈發售新股。

## 慈善捐款

本集團於本年度合共捐出43,000港元慈善捐款(二零零一年：13,000港元)。

## 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司在本年度並無購買、出售或贖回本公司任何上市證券。

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## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 36 to the financial statements and in the consolidated statement of changes in equity on pages 50 to 51 of this Annual Report.

## DISTRIBUTABLE RESERVES

The Company's contributed surplus is distributable to shareholders in accordance with the Companies Act 1981 of Bermuda as amended. At 31 December 2002, there are no Company's reserves available for distribution, in accordance with the generally accepted accounting principles in Hong Kong. In addition, the Company's share premium account, in the amount of HK\$964,360,000, may be distributed in the form of fully paid bonus shares.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover. The aggregate amount of purchases attributable to the Group's five largest suppliers represented about 32.4% of the Group's total purchases and the purchase attributable to the Group's largest supplier was about 11.8% of the Group's total purchases.

As one of the Group's five largest suppliers is a jointly-controlled entity of the Group, Mr. Ho Tsu Kwok, Charles, being an executive director of the Company and controlling a company which is a controlling shareholder of the Company, is deemed to have interest in the said supplier. Save as disclosed herein, none of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers.

## 儲備

本公司與本集團於本年度之儲備變動詳情分別載於財務報表附註36及本年報第50至51頁之綜合權益變動表內。

## 可供分派儲備

根據一九八一年百慕達公司法(修訂本)，本公司之繳入盈餘可供分派予股東。於二零零二年十二月三十一日，本公司並無任何根據香港公認會計準則而可供分派之儲備。此外，本公司之股份溢價賬合共964,360,000港元或會以繳足紅股之方式進行分派。

## 主要客戶及供應商

於回顧年度，本集團五大客戶之營業總額佔本集團營業總額不足30%。本集團五大供應商之採購總額佔本集團採購總額約32.4%，而本集團最大供應商之採購額佔本集團採購總額約11.8%。

因屬於本集團五大供應商之一之供應商為本集團之共同控制公司，而本公司執行董事何柱國先生因同時控制一間為本公司控權股東之公司，故何柱國先生被視為擁有上述供應商之權益。除本文所披露外，本公司董事、彼等之聯繫人士或據董事所知任何擁有本公司已發行股本5%以上之股東，一概無擁有本集團五大客戶或供應商之任何權益。

### DIRECTORS

The directors of the Company during the year were:

#### *Executive directors:*

Mr. Ho Tsu Kwok, Charles

Mr. Ho Kwok Fai

(appointed on 30 October 2002)

Mr. Jia Hong Ping

Mr. Lo Wing Hung

(appointed on 30 October 2002)

Mrs. Sy Wong Chor Fong

Mr. Wong Wai Ming

Mr. Yang Yiu Chong, Ronald Jeffrey

Ms. Inn, Judy

(resigned on 30 October 2002)

Mr. Young, Terrence

(resigned on 30 October 2002)

#### *Non-executive director:*

Mr. Leung Chun Ying

#### *Independent non-executive directors:*

Ms. Ho Chiu King, Pansy

Dr. Tong Yuk Lun, Paul

Mr. Tung Chee Chen

(appointed on 30 October 2002)

Subsequent to the balance sheet date, on 24 April 2003, Mr. Timothy David Dattels and Mr. Jim Sui Hing were appointed as independent non-executive director and executive director of the Company respectively.

### 董事

本公司於本年度之董事如下：

#### 執行董事：

何柱國先生

何國輝先生

(於二零零二年十月三十日獲委任)

賈紅平先生

盧永雄先生

(於二零零二年十月三十日獲委任)

施黃楚芳女士

黃偉明先生

楊耀宗先生

邢珠迪小姐

(於二零零二年十月三十日辭任)

楊宏暢先生

(於二零零二年十月三十日辭任)

#### 非執行董事：

梁振英先生

#### 獨立非執行董事：

何超瓊女士

唐玉麟博士

董建成先生

(於二零零二年十月三十日獲委任)

在結算日後，即二零零三年四月二十四日，**Timothy David Dattels**先生及詹瑞慶先生分別被委任為本公司之獨立非執行董事及執行董事。

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According to bye-law 86(2) of the Company's bye-laws, Mr. Ho Kwok Fai, Mr. Jim Sui Hing, Mr. Lo Wing Hung, Mr. Timothy David Dattels and Mr. Tung Chee Chen, who were appointed by the Board during the year, shall hold office until the forthcoming annual general meeting of the Company and shall then be eligible for re-election at the forthcoming annual general meeting.

According to bye-law 87(1) of the Company's bye-laws, Mr. Leung Chun Ying and Mr. Wong Wai Ming shall retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the directors and the senior management of the Company, are set out on pages 24 to 31 of this Annual Report.

## **DIRECTORS' SERVICE CONTRACTS**

None of the directors has 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' INTERESTS IN CONTRACTS**

Save as disclosed in note 43 to the financial statements, no director had a significant 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.

根據本公司之公司細則第86(2)條，董事會於本年度委任之何國輝先生、詹瑞慶先生、盧永雄先生、Timothy David Dattels先生及董建成先生將留任至本公司應屆股東週年大會為止，並符合資格於應屆股東週年大會上膺選連任。

根據本公司之公司細則第87(1)條，梁振英先生與黃偉明先生須任滿告退，惟彼等符合資格且願意在應屆股東週年大會上膺選連任。

## **董事及高級管理層履歷**

本公司董事及高級管理層之履歷載於本年報第24頁至第31頁。

## **董事之服務合約**

董事概無與本公司或其任何附屬公司訂立本集團不可於一年內不作補償(法定補償除外)而終止之服務合約。

## **董事於合約之權益**

除財務報表附註43所披露外，董事概無在本公司或其任何附屬公司於本年度訂立並對本集團業務有重大影響之合約中，擁有任何重大實益。

## DIRECTORS' INTERESTS IN SHARES

As at 31 December 2002, the interests of the directors and their associates in the share capital of the Company or any of 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) The Company

Name of directors 董事姓名		Notes 附註
Mr. Ho Tsu Kwok, Charles	何柱國先生	(1)
Mrs. Sy Wong Chor Fong	施黃楚芳女士	(2)
Mr. Wong Wai Ming	黃偉明先生	

## 董事於股份之權益

於二零零二年十二月三十一日，根據本公司依照證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所記錄，董事與彼等之聯繫人士在本公司或其任何相聯法團之股本中擁有以下權益：

### (I) 本公司

#### Number of ordinary shares held

##### 所持普通股數目

Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益
—	—	810,895,000
1,250,000	—	163,919,000
442,000	—	—

#### Number of preference shares held

##### 所持優先股數目

Name of director 董事姓名		Note 附註	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益
Mr. Ho Tsu Kwok, Charles	何柱國先生	(1)	—	—	1,123,486,908

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**Notes:**

- (1) Of these shares, 808,396,000 ordinary shares and 1,123,486,908 preference shares are held by Luckman Trading Limited and 2,499,000 ordinary shares are held by Yosham Limited. Both of these companies are beneficially owned by Mr. Ho Tsu Kwok, Charles. All of the aforesaid 1,123,486,908 preference shares were redeemed on 2 January 2003.
- (2) The corporate interests of 163,919,000 shares are held by Stagelight Group Limited, which is beneficially owned by Mrs. Sy Wong Chor Fong and her family members.

**(II) A subsidiary**

As at 31 December 2002, the interest of a director in the share capital of the Company's subsidiary was as follow:

**Name of director**  
董事姓名

Mr. Ho Kwok Fai  
何國輝先生

**Name of subsidiary**  
附屬公司名稱

China Touch Magazine Group (BVI) Limited (formerly known as Sing Tao Magazine Group (BVI) Limited) (前稱Sing Tao Magazine Group (BVI) Limited)

**Personal interests**  
個人權益

6,500,000

**Family interests**  
家族權益

—

**Corporate interests**  
公司權益

—

**附註：**

- (1) 該等股份其中808,396,000股普通股及1,123,486,908股優先股由Luckman Trading Limited持有，而另外2,499,000股普通股則由Yosham Limited持有。該等公司均由何柱國先生實益擁有。上述1,123,486,908股優先股已於二零零三年一月二日全部贖回。
- (2) 163,919,000股股份之公司權益乃由Stagelight Group Limited持有，該公司由施黃楚芳女士及其家族成員實益擁有。

**(II) 附屬公司**

於二零零二年十二月三十一日，董事在本公司之附屬公司之股本中擁有以下權益：

**Number of ordinary shares held**  
所持普通股數目

Name of director 董事姓名	Name of subsidiary 附屬公司名稱	Number of ordinary shares held 所持普通股數目		
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益
Mr. Ho Kwok Fai 何國輝先生	China Touch Magazine Group (BVI) Limited (formerly known as Sing Tao Magazine Group (BVI) Limited) (前稱Sing Tao Magazine Group (BVI) Limited)	6,500,000	—	—

Save as disclosed above and other than certain nominee shares in subsidiaries held by certain directors of the Company in trust for the Group, as at 31 December 2002, none of the directors of the Company or their associates had any interest in the share capital of the Company or its associated corporations as defined in the SDI Ordinance.

The interests of the directors in the share options of the Company are separately disclosed in note 35 to the financial statements.

#### **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Apart from as disclosed in the share option scheme disclosures in note 35 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

#### **SHARE OPTION SCHEME**

Due to the adoption during the year of the Statement of Standard Accounting Practice No.34 "Employee benefits", most of the detailed disclosures relating to the Company's share option scheme have been moved to note 35 to the financial statements.

除上文所披露以及本公司某些董事以信託形式替本集團持有附屬公司之若干代名人股份外，於二零零二年十二月三十一日，本公司董事或彼等之聯繫人士概無擁有本公司或其相聯法團(定義見披露權益條例)股本中任何權益。

董事持有本公司購股權之權益獨立披露於財務報表附註35。

#### **董事收購股份之權利**

除財務報表附註35購股權計劃所披露外，本公司於本年度並無向任何董事或彼等各自之配偶或未滿十八歲之子女授出任何權利，可藉購入本公司之股份或債權證而獲益，而彼等於本年度亦無行使該等權利，而且本公司或其任何附屬公司亦無訂立任何安排，致使董事可獲得適用於任何其他法人團體之該等權利。

#### **購股權計劃**

由於年內採納會計實務準則第34號「僱員福利」，因此有關本公司購股權計劃之大部份詳情已轉載於財務報表附註35。



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Concerning the share options granted during the year to the directors and employees, as detailed in note 35, the directors do not consider it appropriate to disclose a theoretical value of the options granted during the year because, in the absence of a readily market value of the options on the ordinary shares of the Company, the directors were unable to arrive at an assessment of the value of these options.

## SUBSTANTIAL SHAREHOLDERS

At 31 December 2002, the register of shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholder had an interest in 10% or more in the issued share capital of the Company:

Name 名稱	Number of shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比
Luckman Trading Limited	808,396,000*	44.46

Save as disclosed above, the register of shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued share capital of the Company at 31 December 2002.

有關年內授予董事及僱員之購股權詳情載於附註35，由於本公司普通股之購股權並無可資比較市價，董事認為披露年內所授出購股權之理論價值並不適當，故董事未能就該等購股權之價值作出評估。

## 主要股東

本公司根據披露權益條例第16(1)條存置之股東名冊所載，以下股東於二零零二年十二月三十一日擁有本公司已發行股本10%或以上之權益：

除上文所披露者外，本公司根據披露權益條例第16(1)條存置之股東名冊所載，並無其他人士於二零零二年十二月三十一日擁有本公司已發行股本10%或以上之權益。

Following the commencement of the Securities and Futures Ordinance on 1 April 2003, the threshold for disclosure by substantial shareholders was reduced from 10% to 5%. As at the date of this report, other than the interests in the issued share capital of the Company held by Luckman Trading Limited as stated above, the following shareholders had an interest in 5% or more in the issued share capital of the Company:

Name 名稱	Number of shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比
Stagelight Group Limited	163,919,000*	9.02
Great Diamond Developments Limited	137,919,000	7.59

\* These shareholdings are duplicated with the interests disclosed in the section "Directors' interests in shares".

在二零零三年四月一日證券及期貨條例生效後，主要股東之披露界線已由10%減至5%。於本報告日期，除上述已披露由Luckman Trading Limited持有本公司之已發行股本外，以下股東持有本公司5%或以上之已發行股本：

\* 此持股權與「董事於股份之權益」一節中已披露之權益重覆。

### CONNECTED TRANSACTION

During the year, the Group has provided financial assistance to a jointly-controlled entity in Beijing at normal commercial lending rate. The outstanding amount as at 31 December 2002 was approximately HK\$3.3 million (RMB3.5 million). The other shareholder has not made an advance to the jointly-controlled entity in proportion to its interest therein.

### 關連交易

年內，本集團按一般商業借貸利率向北京一間共同控制公司提供財務資助。於二零零二年十二月三十一日，尚未償還款項約為3,300,000港元(3,500,000元人民幣)。其他股東並無向共同控制之公司按其權益比例作出借貸。

### CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than the outstanding preference shares and share options as set out in notes 34 and 35 to the financial statements, respectively, the Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2002.

### 可換股證券、購股權、認股權證或類似之權利

除財務報表附註34及35分別所載未發行之優先股及未行使之購股權外，本公司於二零零二年十二月三十一日概無未行使之可換股證券、購股權、認股權證或其他類似權利。

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## CODE OF BEST PRACTICE

In the opinion of the directors, the Company has 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 (the "Listing Rules") throughout the accounting period covered by this Annual Report, except that the independent non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at annual general meeting in accordance with the Company's bye-laws.

## POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are disclosed in note 42 to the financial statements.

## AUDIT COMMITTEE

The audit committee, comprising the two independent non-executive directors, Dr. Tong Yuk Lun, Paul and Ms. Ho Chiu King, Pansy, was established with written terms of reference in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls procedures of the Group. The Group's financial statements as at and for the year ended 31 December 2002 and the Company's balance sheet as at 31 December 2002 have been reviewed by the audit committee, the members of which are of the opinion that such statements comply with the applicable accounting standards and the Listing Rules, and that adequate disclosures have been made.

## 最佳應用守則

董事認為，本公司在本年報涵蓋之會計期間內，一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之最佳應用守則；惟本公司之獨立非執行董事並無固定任期，而必須根據本公司之公司細則，於股東週年大會上輪值告退。

## 結算日後事項

本集團結算日後重大事項詳情載於財務報表附註42內。

## 審計委員會

審計委員會已遵照上市規則附錄十四之最佳應用守則成立，並書面列明委員會之權責範圍。審計委員會由唐玉麟博士及何超瓊女士兩位獨立非執行董事組成，主要職責是審閱並監察本集團之財務報告程序及內部監控程序。審計委員會已審閱本集團截至二零零二年十二月三十一日止年度之財務報表及本公司於二零零二年十二月三十一日之資產負債表，並認為該等報表符合適用會計準則及上市規則之規定，且已作出足夠之披露。

# he Directors

董事會報告

## AUDITORS

Ernst & Young will 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

**Ho Tsu Kwok, Charles**  
*Chairman*

Hong Kong, 24 April 2003

## 核數師

安永會計師事務所將於應屆股東週年大會上退任，會上將提呈一項決議案續聘安永會計師事務所為本公司之核數師。

承董事會命

主席  
何柱國

香港，二零零三年四月二十四日