

The directors present their report and the audited financial statements of the Company and 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 principal subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

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 29 to 100.

The directors do not recommend the payment of any dividend in respect of the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 101. This summary does not form part of the audited financial statements.

FIXED ASSETS

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

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and movements in the Company's share options during the year are set out in notes 28 and 29 to the 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董事會報告書及經審核財務報表。

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報表附註18。本集團主要業務之性質並無重大變動。

業績及股息

本集團截至二零零二年十二月三十一日止年度內之溢利，以及本公司及本集團於該日之狀況載於財務報表第29頁至第100頁內。

董事會不建議派發本年度任何股息。

財務資料概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第101頁。該概要並非經審核財務報表之組成部份。

固定資產

本集團固定資產變動詳情載於財務報表附註15內。

股本及購股權

年內本公司股本及購股權變動詳情載於財務報表附註28及29內。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws/articles of association or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated summary statement of changes in equity.

DISTRIBUTABLE RESERVES

At 31 December 2002, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$73,435,000. In addition, the Company's share premium account, in the amount of HK\$72,641,000, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 35% of the total sales for the year and sales to the largest customer included therein amounted to approximately 14%.

優先認股權

本公司之公司附例／組織章程或百慕達法例並無關於優先購股權之規定，故本公司毋須向現有股東按持股比例發售新股。

購買、贖回或出售上市證券

本公司或其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

儲備

年內本公司及本集團儲備變動詳情載於財務報表附註30以及綜合權益變動概要報表內。

可供分派儲備

於二零零二年十二月三十一日，根據百慕達一九八一年公司法(修訂本)計算，可供分派之本公司儲備為73,435,000港元。此外，本公司股份溢價帳72,641,000港元可以繳足股款紅股方式分派。

主要客戶及供應商

於回顧年度，對本集團首五大客戶之銷售額佔本集團年內總銷售額約35%，而對其中所包括之最大客戶之銷售額則約達14%。

MAJOR CUSTOMERS AND SUPPLIERS (continued)

Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

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) had any beneficial interest in the Group's five largest customers.

DIRECTORS

The directors of the Company during the year were:

Executive directors

Chan Ho Sing
 Ko Pak On (appointed on 18 December 2002)
 Ho Kwong Kuen, David (appointed on 28 March 2002 and
 resigned on 18 December 2002)
 Hui Shing Cheung, Dave (resigned on 28 March 2002)

Independent non-executive directors

Li Sau Hung, Eddy
 Lo Kwok Kwei, David

In accordance with clause 87(1) of the Company's bye-laws, Li Sau Hung, Eddy will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 17 of the Annual Report.

主要客戶及供應商 (續)

年內，向本集團首五大供應商之採購佔本年度總採購額少於30%。

就各董事所知，概無本公司董事、其聯繫人士或董事知悉擁有本公司5%以上已發行股本之股東，於本集團首五大客戶中擁有任何實益權益。

董事

年內之本公司董事為：

執行董事

陳浩成
 高伯安 (於二零零二年十二月十八日獲委任)
 何廣權 (於二零零二年三月二十八日獲委任
 並於二零零二年十二月十八日辭任)
 許承祥 (於二零零二年三月二十八日辭任)

獨立非執行董事

李秀恒
 羅國貴

根據本公司附例第87(1)條，李秀恒將於應屆股東週年大會上輪值告退，並願意膺選連任。

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年報第16至17頁。

DIRECTORS' SERVICE CONTRACTS

Chan Ho Sing entered into a service contract with the Company for a term of three years commencing on 1 January 2000. Chan Ho Sing also entered into a service contract with the Company for another initial term of three years commencing on 1 January 2003 and thereafter until terminated by either party giving to the other not less than six months' notice in writing terminating on or after the expiry of the initial term of three years. Hui Shing Cheung, Dave entered into a service contract with the Company for a term of three years commencing on 25 November 1999.

During the year, Hui Shing Cheung, Dave terminated his service contract with the Company on 28 March 2002. The above termination was without any claim against the Company whatsoever whether in respect of fees, remuneration or compensation for loss of office.

Apart from the foregoing, 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

No director of the Company had a material interest, whether directly or indirectly, 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.

董事服務合約

陳浩成與本公司已簽訂服務合約，由二零零零年一月一日起為期三年。陳浩成亦與本公司已簽訂服務合約，由二零零三年一月一日起為期三年及可於三年期屆滿或之後由合約任何一方作出不少於六個月之通知予以終止。許承祥與本公司所簽訂之服務合約，由一九九九年十一月二十五日起為期三年。

年內，許承祥於二零零二年三月二十八日與本公司終止其服務合約，亦無就袍金、酬金或離職賠償而向本公司提出索償。

除上文所披露者外，於應屆股東週年大會上擬膺選連任之董事，概無與本公司訂立任何不可於一年內由本公司終止而毋須作賠償(除法定賠償外)之服務合約。

董事之合約權益

本公司各董事概無於本公司或附屬公司在年內所訂立並對本集團業務影響重大之任何合約中直接或間接擁有重要實質權益。

DIRECTORS' INTERESTS IN SHARES

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

Ordinary shares of the Company

Name of director 董事姓名		Nature of interest and number of shares/ share options held 權益性質及所持有股份／購股權數目		
		Nature of interest 權益性質	Number of shares held 持股數量	Number of share options 購股權數目
Chan Ho Sing 陳浩成	Note 1 附註1	Family 家族	179,734,000	–
Chan Ho Sing 陳浩成	Note 2 附註2	Family 家族	–	5,500,000
Chan Ho Sing 陳浩成		Personal 個人	–	17,500,000
Ko Pak On 高伯安		Personal 個人	400,000	1,800,000

Note 1: These shares are owned by Man Yue Holdings Inc., a company incorporated in the Bahamas, the entire issued share capital of which is ultimately beneficially owned by the family trust of Chan Ho Sing.

Note 2: The family interests represent share options held by Kee Chor Lin, the spouse of Chan Ho Sing.

In addition to the above, Chan Ho Sing has 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.

董事之股份權益

於二零零二年十二月三十一日，就本公司根據證券(披露權益)條例(「披露權益條例」)第29條規定而存置之登記冊所記錄，各董事及其聯繫人士於本公司或其相聯法團股本之權益如下：

本公司普通股

Name of director 董事姓名		Nature of interest and number of shares/ share options held 權益性質及所持有股份／購股權數目		
		Nature of interest 權益性質	Number of shares held 持股數量	Number of share options 購股權數目
Chan Ho Sing 陳浩成	Note 1 附註1	Family 家族	179,734,000	–
Chan Ho Sing 陳浩成	Note 2 附註2	Family 家族	–	5,500,000
Chan Ho Sing 陳浩成		Personal 個人	–	17,500,000
Ko Pak On 高伯安		Personal 個人	400,000	1,800,000

附註1：該等股份為由Man Yue Holdings Inc. (一間於巴哈馬註冊成立之公司) 擁有；其全部已發行股本乃由陳浩成家族信託基金實益擁有。

附註2：該家族權益為陳浩成之配偶紀楚蓮所持有之購股權。

除此之外，陳浩成為本公司利益，以非實益個人股本權益方式持有若干附屬公司，目的僅為符合最低公司股東人數。

DIRECTORS' INTERESTS IN SHARES (continued)

Save as disclosed above and as disclosed under the heading "Directors' rights to acquire shares", 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.

The interests of the directors in the share options of the Company are separately disclosed in note 29 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the heading "Directors' interests in shares" above and in the share option scheme disclosure in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director 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 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 29 to the financial statements.

董事之股份權益 (續)

除上文所述者，以及「董事購買股份之權利」一節所披露者外，各董事或彼等之聯繫人士概無於本公司或任何其他其相聯法團(定義見披露權益條例)之股本或債務證券中擁有任何個人、家族、公司或其他權益。

董事於本公司購股權之權益於財務報表附註29另行披露。

董事購買股份之權利

除上文「董事之股份權益」所披露者及財務報表附註29購股權計劃之披露外，概無本公司董事或彼等各自之配偶或十八歲以下之子女可藉購入本公司之股份而獲益之權利；彼等亦無行使該等權利；本公司或其任何附屬公司概無參與任何安排，致使本公司董事可獲得對其他法人團體之有關權利。

購股權計劃

由於年內採用會計實務準則第34號「僱員福利」，有關本公司購股權計劃之大部份詳細披露均已轉往財務報表附註29。

SUBSTANTIAL SHAREHOLDERS

At 31 December 2002, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name of shareholder	股東名稱	Number of shares held 持股數量	Interest % 權益百分比
Man Yue Holdings Inc. (Note)	Man Yue Holdings Inc. (附註)	179,734,000	48
Chan Ho Sing	陳浩成	179,734,000	48
Li Tung Lok	李同樂	47,760,000	13

Note: Man Yue Holdings Inc. is ultimately beneficially owned by the family trust of Chan Ho Sing. The interests disclosed under Chan Ho Sing represent his deemed interests in the shares of the Company by virtue of his interests in Man Yue Holdings Inc. and have been disclosed under the heading "Directors' interests in shares" above.

主要股東

於二零零二年十二月三十一日，就本公司根據披露權益條例第16(1)條規定而存置之登記冊記錄，持有本公司股本10%或以上權益之人士如下：

附註：Man Yue Holdings Inc.由陳浩成之家族信託基金最終實益擁有。陳浩成所披露之權益乃指其憑藉於Man Yue Holdings Inc.之權益而被視作持有之本公司股份權益，並已於上文「董事之股份權益」一節中予以披露。

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

除上述所披露者及已於上文「董事之股份權益」一節所載之董事權益外，並無任何人士根據披露權益條例第16(1)節登記所持本公司股本權益。

CONNECTED TRANSACTIONS

During the year, conditional waivers have been granted by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for strict compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") by the Company in respect of the connected transactions entered into by the Group as set out in note 35(b)(i) to the financial statements under the heading of "Related party transactions".

關連交易

年內，本公司已獲香港聯合交易所有限公司（「聯交所」）有條件豁免嚴格遵照香港聯合交易所有限公司證券上市規則（「上市規則」）對本集團進行之關連交易（詳於財務報表附註35(b)(i)「關連人士交易」一節）的規定。

CONNECTED TRANSACTIONS (continued)

These connected transactions have been reviewed by the independent non-executive directors of the Company who have confirmed that these transactions were entered into by the Group in the ordinary and usual course of business and on normal commercial terms, are fair and reasonable so far as the shareholders of the Company are concerned, in accordance with the terms of the agreements governing such transactions (or where there is no such agreement, on terms no less favourable than terms available to third parties), and within the maximum amount as agreed with the Stock Exchange.

The auditors of the Company have also confirmed to the board of directors that these transactions have received the approval of the Company's board of directors, have been entered into in accordance with the terms of the agreements governing these transactions (or where there is no such agreement, on terms no less favourable than terms available to third parties); and within the maximum amount as agreed with the Stock Exchange.

In addition to the above, the transactions as set out in notes 35(b)(ii) and (iii) to the financial statements under the heading of "Related party transactions" were connected transactions which have been previously announced in the newspapers by the Company.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the two independent non-executive directors of the Company.

關連交易 (續)

本公司之獨立非執行董事已審閱該等關連交易，並已確認該等交易乃由本集團於日常業務過程中按一般商業條款，對本公司股東而言屬公平合理，根據規管該等交易協議之條款（或倘無有關協議，以不遜於提供予第三者之條款）訂立，而所涉及金額亦不超逾與聯交所協定之最高金額。

本公司核數師亦向董事會確認，該等交易已獲本公司董事會批准，並根據規管該等交易之協議之條款（或倘無有關協議，以不遜於提供予第三者之條款）訂立，而所涉及金額亦不超逾與聯交所協定之最高金額。

除上述者外，財務報表附註35(b)(ii)及(iii)「關連人士交易」一項所列之交易，為本公司之前在報章公佈之關連交易。

審核委員會

本公司根據最佳應用守則之規定成立審核委員會，負責審閱及監察本集團之財務申報程序及內部監控。該委員會由本公司兩位獨立非執行董事組成。

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Listing Rules of the Stock Exchange, throughout the accounting year ended 31 December 2002, except that the independent 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 in accordance with the Company's bye-laws.

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 Ho Sing

Chairman

Hong Kong

16 April 2003

最佳應用守則

董事認為，本公司於截至二零零二年十二月三十一日止年度內一直遵照聯交所上市規則附錄14所載之最佳應用守則（「守則」），根據守則第7段之規定，本公司獨立非執行董事的委任並無特定任期，並須依據本公司之公司細則於股東週年大會上輪值告退。

核數師

安永會計師事務所已任滿告退，而重新委任彼等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

陳浩成

香港

二零零三年四月十六日