

# Report of the Directors

## 董事報告

The directors submit their report together with the audited accounts for the year ended 31st December 2002.

董事謹提呈彼等之報告及截至二零零二年十二月三十一日止年度之經審核帳目。

### Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 32 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 3 to the accounts.

### Results and dividends

The results of the Group for the year are set out in the consolidated profit and loss account on page 86.

The directors do not recommend the payment of a dividend.

### 主要業務及經營之地區分析

本公司之主要業務為控股投資。各附屬公司之業務已載列於帳目附註32。

本集團於本年度按業務及地區劃分之業績分析載列於帳目附註3。

### 業績及股息

本集團於本年度之業績載列於第86頁之綜合損益表。

董事不建議派發股息。

## Five year financial summary

The consolidated results, and assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, are summarised below:

## 五年之財政摘要

經適當重列與重新分類後，本集團過去五個財政年度之綜合業績與資產及負債概述如下：

### Results

### 業績

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元	2000 HK\$'000 (Restated) 港幣千元 (重新列帳)	1999 HK\$'000 (Restated) 港幣千元 (重新列帳)	1998 HK\$'000 (Restated) 港幣千元 (重新列帳)
Turnover	營業額	49,879	65,048	43,715	280,763	879,022
Loss before taxation	除稅前之虧損	(137,153)	(34,513)	(197,138)	(495,108)	(53,943)
Taxation	稅項	-	-	-	-	-
Minority interests	少數股東權益	943	2,741	2,133	-	(37)
Preference dividends	優先股股息	(6,089)	(9,601)	(8,283)	(3,627)	(6,233)
Loss attributable to ordinary shareholders	普通股股東應佔虧損	(142,299)	(41,373)	(203,288)	(498,735)	(60,213)
Assets and liabilities	資產及負債					
Fixed assets	固定資產	65,073	72,143	24,061	30,254	-
Intangible assets	無形資產	37,911	18,961	26,445	98,745	1,819
Investments	投資	29,337	55,280	35,000	3,609	364,488
Other non-current assets	其他非流動資產	47,425	62,288	64,922	80,914	2
Net current assets	流動資產淨額	51,028	128,574	151,783	80,796	43,461
		230,774	337,246	302,211	294,318	409,770
Shareholders' equity	股東權益	108,664	214,193	176,417	166,263	409,641
Minority interests	少數股東權益	122,110	123,053	125,794	128,055	129
		230,774	337,246	302,211	294,318	409,770

**Five year financial summary (Continued)**

The loss attributable to ordinary shareholders for the two years ended 31st December 2000 and 1999 and the shareholders' equity as at the respective balance sheet dates have been restated as a result of the revision in the accounting policies due to the change in accounting standards for intangible assets on the adoption of SSAP 29 by the Group in 2001.

**Fixed assets**

Details of the movements in fixed assets of the Group and of the Company are set out in note 12 to the accounts.

**Share capital**

Details of the movements in the share capital of the Company are set out in note 22 to the accounts.

**Share options**

Pursuant to a ten-year share option scheme of the Company adopted on 12th May 1999 (the "Old Scheme"), the board of directors of the Company may grant options to eligible employees of the Group, including executive directors, to subscribe for shares in the Company. The subscription price is the higher of the nominal value of the Company's shares and 80% of the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited ("SEHK") for the five trading days immediately preceding the offer of the option. The maximum number of shares in respect of which options may be granted under the scheme is limited to 10% of the number of issued shares of the Company from time to time. In addition, no eligible employee may be granted an option or options which the number of options would exceed 25% of the aggregate number of total options granted from time to time.

On 23rd August 2001, SEHK announced amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), which came into effect on 1st September 2001. Under the transitional arrangements stipulated in the amended Chapter 17 of the Listing Rules, options already granted before 1st September 2001 are not affected by the amended rules and the Group may have to alter the terms of the existing share option scheme, or adopt a new share option scheme before further options could be granted. In order to comply with the amendments to the Listing Rules and the announcement of the SEHK, the Company terminated the Old Scheme and adopted a new share option scheme (the "New Scheme") at a Special General Meeting held on 26th June 2002 ("SGM").

**五年之財政摘要 (續)**

截至二零零零年及一九九九年十二月三十一日止兩個年度之普通股股東應佔虧損，以及於各結算日之股東權益均由於本集團於二零零一年採用會計準則第29號致令無形資產之會計政策出現變動而重新列帳。

**固定資產**

本集團及本公司固定資產之變動詳情分別載列於帳目附註12。

**股本**

本公司之股本變動詳情載列於帳目附註22。

**購股權**

根據本公司於一九九九年五月十二日採納之十年購股權計劃（「舊計劃」），本公司董事會可向本集團之合資格僱員（包括執行董事）授出可認購本公司股份之購股權。認購價為本公司股份之面值及緊接購股權授出日期前五個交易日本公司股份於香港聯合交易所有限公司（「香港聯交所」）之平均收市價之80%之較高者為準。根據該計劃可能授出之購股權所涉及之股份數目上限，不得超過本公司不時發行股份總數之10%。此外，合資格僱員獲授之一項購股權或多項購股權不得超過不時授出之全部購股權總額之25%。

於二零零一年八月二十三日，香港聯交所宣佈修訂香港聯合交易所有限公司證券上市規則（「上市規則」）第17章，於二零零一年九月一日開始生效。根據經修訂上市規則第17章規定之過渡安排，已於二零零一年九月一日前授出之購股權不受經修訂規則影響，及在進一步授出購股權之前，本集團可能須更改現有購股權計劃之條款，或採納新購股權計劃。為遵守上市規則之修訂及香港聯交所之宣佈，本公司已於二零零二年六月二十六日召開之特別股東大會（「特別股東大會」）上終止舊計劃並採納新購股權計劃（「新計劃」）。

## Share options (Continued)

The purpose of the New Scheme is to recognise and acknowledge the contributions of the Qualified Persons (as defined in the New Scheme, including but not limited to the directors, the employees, partners, associates and etc. of the Group and its shareholders) to the Group. Pursuant to this ten-year New Scheme, the Company can grant options to Qualified Persons for a consideration of HK\$1.00 for each grant payable by the Qualified Persons to the Company. The total number of the shares issued and to be issued upon exercise of options granted to each Qualified person (including both exercised, cancelled and outstanding options) in any twelve-month period shall not exceed 1% of the shares then in issue. The maximum number of option shares that can be granted under the New Scheme shall not exceed 37,673,482 shares, which is 10% of the total number of shares in issue at the date of the SGM. Subscription price in relation to each option pursuant to the New Scheme shall be not less than the higher of (i) the closing price of the shares as stated in the SEHK's daily quotation sheets on the date on which the option is offered to an Qualified Person; (ii) the average of the closing prices of the shares as stated in the SEHK's daily quotation sheets for the five trading days immediately preceding the date of offer, or (iii) the nominal value of the shares. There shall be no minimum holding period for the vesting or exercise of the options and the options are exercisable within the option period as determined by the board of directors of the Company.

During the year, no share options were granted by the Company under the Old Scheme up to 26th June 2002 and 14,575,000 (2001: Nil) share options were granted under the New Scheme. The directors do not consider it appropriate to disclose a theoretical value of the share options granted during the year to the directors and employees because a number of factors crucial for the valuation cannot be determined. Accordingly, any valuation of the options based on various speculative assumptions would not be meaningful, but would be misleading to the shareholders of the Company.

During the year, 10,334,000 (2001: 3,550,000) share options lapsed upon the end of the exercise period and 2,500,000 (2001:nil) share options were cancelled.

The exercise in full of the share options, under the present capital structure of the Company, would result in the issue of an additional 22,775,000 (2001: 21,034,000) ordinary shares. Details of which are described below:

## 購股權 (續)

新計劃之目的為表彰及感謝合資格人士(定義見新計劃, 包括但不限於本集團董事、僱員、合夥人、聯繫人士等及其股東)之貢獻。根據該十年新計劃, 本公司可向合資格人士授出購股權, 每份購股權之代價為1.00港元, 由合資格人士支付予本公司。於任何十二個月期間, 在授予各合資格人士之購股權(包括已行使、註銷及尚未行使之購股權)獲行使時已發行及將予發行股份之總數日不得超過當時已發行股份之1%。根據新計劃可授出之最高購股權股份數目不得超過37,673,482股, 即於特別股東大會召開之日已發行股份總數日之10%。有關根據新計劃授出之各購股權之認購價不得低於下列較高者(i) 向合資格人士授予購股權之日香港聯交所每日報價單載列之股份收市價; (ii) 緊接授出日期前五個營業日香港聯交所每日報價單載列之股份平均收市價; 或(ii) 股票面值。授予或行使購股權並無最短持有期限, 購股權於本公司董事會決定之購股權期內可予以行使。

於本年度, 本公司概無根據舊計劃授出購股權, 並根據新計劃授出14,575,000(二零零一年: 無)份購股權。董事認為披露於本年度授予董事及僱員之購股權之假定價值並不合適, 因為一系列重要估值因素不能決定。因此, 基於各種推測假定之任何購股權估值意義甚微, 只會誤導本公司之股東。

於本年度, 10,334,000(二零零一年: 3,550,000)份購股權於行使期結束時失效, 2,500,000(二零零一年: 無)份購股權被註銷。

根據本公司現行股本架構, 購股權獲悉數行使後, 將額外發行22,775,000股普通股(二零零一: 21,034,000股), 有關購股權計劃詳情載列如下:

**Share options** (Continued)

Share options (Continued)		購股權 (續)			
Date of share options granted	10th September 1999	購股權授出日期	一九九九年九月十日		
Exercise price	HK\$2.25	行使價	2.25 港元		
Exercise period	1st January 2000 – 31st December 2002	行使期	二零零零年一月一日至 二零零二年十二月三十一日		
		Outstanding options as at 1st January 2002 於二零零二年一月一日未獲行使之購股權	Options exercised during the year 本年度已行使之購股權	Options lapsed during the year 本年度失效之購股權	Outstanding options as at 31st December 2002 於二零零二年十二月三十一日未獲行使之購股權
Held by directors	董事持有	7,634,000	–	(7,634,000)	–
Held by employees	僱員持有	2,700,000	–	(2,700,000)	–
<b>Total</b>	<b>總計</b>	<b>10,334,000</b>	<b>–</b>	<b>(10,334,000)</b>	<b>–</b>

Date of share options granted	6th March 2000	購股權授出日期	二零零零年三月六日		
Exercise price	HK\$9.89	行使價	9.89 港元		
Exercise period	7th March 2000 – 6th March 2003	行使期	二零零零年三月七日至 二零零三年三月六日		
		Outstanding options as at 1st January 2002 於二零零二年一月一日未獲行使之購股權	Options exercised during the year 本年度已行使之購股權	Options cancelled during the year 本年度已註銷之購股權	Outstanding options as at 31st December 2002 於二零零二年十二月三十一日未獲行使之購股權
Held by a director	一位董事持有	2,500,000	–	(2,500,000)	–
Held by employees	僱員持有	–	–	–	–
<b>Total</b>	<b>總計</b>	<b>2,500,000</b>	<b>–</b>	<b>(2,500,000)</b>	<b>–</b>

**Share options** (Continued)

Date of share options granted 1st September 2000

Exercise price HK\$2.62

Exercise period 1st January 2001 – 31st December 2003

**購股權** (續)

購股權授出日期 二零零零年九月一日

行使價 2.62港元

行使期 二零零一年一月一至  
二零零三年十二月三十一日

		Outstanding options as at 1st January 2002 於二零零二年 一月一日 未獲行使 之購股權	Options exercised during the year 本年度已行使 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2002 於二零零二年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	–	–	–
Held by employees	僱員持有	2,300,000	–	–	2,300,000
<b>Total</b>	<b>總計</b>	<b>2,300,000</b>	<b>–</b>	<b>–</b>	<b>2,300,000</b>

Date of share options granted 2nd November 2000

Exercise price HK\$1.50

Exercise period 1st January 2001 – 31st December 2003

購股權授出日期 二零零零年十一月二日

行使價 1.50港元

行使期 二零零一年一月一至  
二零零三年十二月三十一日

		Outstanding options as at 1st January 2002 於二零零二年 一月一日 未獲行使 之購股權	Options exercised during the year 本年度已行使 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2002 於二零零二年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	–	–	–
Held by employees	僱員持有	5,900,000	–	–	5,900,000
<b>Total</b>	<b>總計</b>	<b>5,900,000</b>	<b>–</b>	<b>–</b>	<b>5,900,000</b>

**Share options** (Continued)

Date of share options granted	23th July 2002
Exercise price	HK\$ 1.47
Exercise period	24th July 2002 – 23th July 2005

**購股權** (續)

購股權授出日期	二零零二年七月二十三日
行使價	1.47 港元
行使期	二零零二年七月二十四日至 二零零五年七月二十三日

		Outstanding options as at 1st January 2002 於二零零二年 一月一日 未獲行使 之購股權	Options granted during the year 本年度授出 之購股權	Options lapsed during the year 本年度失效 之購股權	Outstanding options as at 31st December 2002 於二零零二年 十二月三十一日 未獲行使 之購股權
Held by directors	董事持有	–	6,000,000	–	6,000,000
Held by qualified persons (excluding directors)	合資格人士 (不包括董事) 持有	–	8,575,000	–	8,575,000
<b>Total</b>	<b>總計</b>	–	<b>14,575,000</b>	–	<b>14,575,000</b>

**Reserves**

Movements in the reserves of the Group and of the Company during the year are set out in note 24 to the accounts.

**Distributable reserves**

The Company has no distributable reserves as at 31st December 2002 (2001: HK\$100,208,000).

**Major suppliers and major customers**

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	13.0 %
– five largest suppliers combined	35.0 %
Sales	
– the largest customer	28.6 %
– five largest customers combined	49.1 %

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

**儲備**

本集團及本公司於本年度之儲備之變動詳情分別載列於帳目附註24。

**可供分派之儲備**

本公司於二零零二年十二月三十一日並無可供分派之儲備(二零零一年: 港幣100,208,000元)。

**主要供應商及主要客戶**

本集團主要供應商及主要客戶之採購額與銷售額佔本年總額百分比如下:

採購	
– 最大供應商	13.0 %
– 五位最大供應商合計	35.0 %
銷售	
– 最大客戶	28.6 %
– 五名最大客戶合計	49.2 %

概無任何董事、彼等之聯繫人士或就董事所知任何擁有本公司已發行股本5%以上之股東於上述主要供應商或客戶擁有任何權益。

## Directors

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

### Executive directors

Mr. Ko Chun Shun, Johnson  
Mr. Lui Pan, Terry

### Non-executive directors

Ms. Cheung Sum Yu, Fiona  
Mr. Ronald Richard Budacz  
Mr. Shaw Sun Kan  
Mr. Jerry Sze

### Independent non-executive directors

Mr. Chu Hon Pong  
Mr. Liu Tsun Kie

In accordance with Articles 98 of the Company's bye-laws, Ms. Cheung Sum Yu, Fiona and Mr. Shaw Sun Kan will retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Under the terms of their appointment, the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's bye-laws.

## 董事

於本年度及截至本報告日期之董事如下：

### 執行董事

高振順先生  
呂品先生

### 非執行董事

張心瑜女士  
Ronald Richard Budacz 先生  
蕭宇成先生  
Jerry Sze 先生

### 獨立非執行董事

朱漢邦先生  
劉俊基先生

根據本公司章程細則第98，張心瑜女士及蕭宇成先生將於應屆股東周年大會上告退，並符合資格願膺選連任。

根據本公司章程細則，在獨立非執行董事的委任條款下，獨立非執行董事在指定任期屆滿後將不再獲委任，輪流告退。

## Brief biographical details of directors and senior management

## 董事及高級管理人員之履歷簡介

Name 姓名	Age 年齡	Position held 職務	Number of years of service 服務年期	Business experience 商業履歷
<b>Directors 董事</b>				
Mr. Ko Chun Shun, Johnson 高振順先生	51	Chairman and Executive Director 主席兼執行董事	4	International trading, direct investment and financial services 國際貿易、直接投資及金融服務
Mr. Lui Pan, Terry 呂品先生	48	Chief Executive Officer and Executive Director 行政總裁兼執行董事	4	Engineering and marketing 工程及市場推廣
Ms. Cheung Sum Yu, Fiona 張心瑜女士	39	Non-executive Director 非執行董事	5	Marketing, manufacturing and distribution operations 市場推廣、製造及分銷業務
Mr. Ronald Richard Budacz	57	Non-executive Director 非執行董事	4	Engineering, quality control, materials management, manufacturing and marketing 工程、質量控制、 物料管理、製造及市場推廣



## Brief biographical details of directors and senior management (Continued)

## 董事及高級管理人員之履歷簡介 (續)

Name 姓名	Age 年齡	Position held 職務	Number of years of service 服務年期	Business experience 商業履歷
Mr. Shaw Sun Kan 蕭宇成先生	38	Non-executive Director 非執行董事	3	Direct investment 直接投資
Mr. Jerry Sze	42	Non-executive Director 非執行董事	2	Direct investment 直接投資
Mr. Chu Hon Pong 朱漢邦先生	53	Independent Non-executive Director 獨立非執行董事	3	Direct investment 直接投資
Mr. Liu Tsun Kie 劉俊基先生	52	Independent Non-executive Director 獨立非執行董事	3	Engineering and corporate finance 工程及企業融資

## Senior management staff 高層管理人員

Name 姓名	Age 年齡	Position held 職務	Number of years of service 服務年期	Business experience 商業履歷
Ms. Chiu Lai Kuen, Susanna 趙麗娟女士	42	Chief Operating Officer 運營總裁	3	Information technology, media and operations management 資訊科技、傳媒及營運管理
Mr. Sam Wong 黃植良先生	42	Chief Financial Officer 財務總裁	2	Investment banking and finance 投資銀行及融資
Ms. Chan Ping 陳萍女士	45	Senior Vice President - China operations 高級副總裁 - 中國業務	2	China operations and marketing 中國業務及市場推廣
Ms. Margaret Pozzo De Sommo 栢小莉女士	35	Senior Vice President - Investor Relations 高級副總裁 - 投資管理	2	Investment banking and fund management 投資銀行及基金管理
Mr. Ho Te Hwai, Cecil 賀德懷先生	42	Company Secretary 公司秘書	4	Accounting and finance 會計及財務

### Directors' service contracts

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.

### Directors' interests in contracts

No contracts of significance in relation to the Group's business to which the Company or 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.

### Management contracts

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

### Connected transactions

There were no transactions which are required to be disclosed as connected transactions in accordance with the Listing Rules.

### Directors' interests in equity or debt securities

At 31st December 2002, the interests of the directors and chief executive in the shares and options 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 or as notified to the Company were as follows:

- (a) Ordinary shares of HK\$0.10 each in the Company

### 董事服務合約

擬於應屆股東周年大會上膺選連任之董事，概無與本公司訂立本公司不可於一年內免付補償（法定補償除外）而終止之服務合約。

### 董事之合約權益

於結算日或年內任何時間，本公司或其附屬公司概無簽定任何涉及本集團之業務而本集團之董事直接或間接在其中擁有重大權益之重要合約。

### 管理合約

本年度內概無訂立或存在任何涉及本公司整體或部分重要業務之管理及行政之合約。

### 關連交易

概無任何交易須遵照上市規則之規定作為關連交易並予以披露。

### 董事於股本及債券之權益

於二零零二年十二月三十一日，本公司根據證券（披露權益）條例（「披露權益」條例）第29條規定而設立之登記冊所顯示或根據本公司接獲之通知，各董事及行政總裁於本公司及其聯繫公司（定義見「披露權益」條例）之股份及購股權之權益如下：

- (a) 本公司每股面值0.10港元之普通股

Name 姓名	Notes 附註	Number of shares 股份數目			
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	
Mr. Ko Chun Shun, Johnson	高振順先生	(i)	343,000	2,040,816	158,357,940
Ms. Cheung Sum Yu, Fiona	張心瑜女士	(ii)	3,316,000	—	10,001,140
Mr. Lui Pan, Terry	呂品先生		198,000	—	—

**Directors' interests in equity or debt securities** (Continued)

Notes:

- (i) 118,403,418 ordinary shares in the Company are directly held by Prime Pacific International Limited ("Prime Pacific"), which is owned as to 67% and 33% by Gold Pagoda Incorporated ("Gold Pagoda") and Prime Gold International Limited ("Prime Gold"), respectively.

Prime Gold is owned as to 82.45% by Kwan Wing Holdings Limited ("Kwan Wing"), a company incorporated in the British Virgin Islands and wholly owned by Mr. Ko Chun Shun, Johnson ("Mr. Ko").

Gold Pagoda is a wholly-owned subsidiary of Universal Holdings Limited ("UHL") a listed company in Hong Kong of which Mr. Ko has a controlling interest.

31,032,522 ordinary shares in the Company are held directly by Universal Appliances Limited ("UAL"), a wholly-owned subsidiary of UHL.

2,956,000 ordinary shares in the Company are held by All Mark Limited, a wholly-owned subsidiary of UHL.

1,600,000 and 1,222,000 ordinary shares in the Company are held by Peninsula Resources Limited and First Gain International Limited respectively. Both companies are wholly owned by Mr. Ko.

3,144,000 ordinary shares in the Company are held by Kwan Wing.

2,040,816 ordinary shares in the Company are held by Ms. Cheung Yat Kwan, who is the spouse of Mr. Ko.

- (ii) These shares are held by Gallium International Limited, which in turn is wholly owned by Creative World International Limited, a company wholly owned by Ms. Cheung Sum Yu, Fiona.

**董事於股本及債券之權益** (續)

附註：

- (i) Prime Pacific International Limited (「Prime Pacific」) 持有118,403,418 股本公司普通股，而Gold Pagoda Incorporated (「Gold Pagoda」) 及Prime Gold International Limited (「Prime Gold」) 分別擁有Prime Pacific 67%及33%權益。

Kwan Wing Holdings Limited (「Kwan Wing」) 持有Prime Gold之82.45%權益。Kwan Wing 為於英屬處女群島註冊成立之公司，並由高振順先生 (「高先生」) 全資擁有。

Gold Pagoda 為友利控股有限公司 (「友利控股」) 全資附屬公司 (一家於香港上市公司)，而高先生擁有該公司控制權。

友利控股之全資附屬公司友利電訊工業有限公司 (「友利電訊」) 直接持有31,032,522 股本公司普通股。

友利控股之全資附屬公司All Mark Limited 持有2,956,000股本公司普通股。

Peninsula Resources Limited 及First Gain International Limited 分別持有1,600,000股及1,222,000股本公司普通股。該兩間公司均由高先生全資擁有。

Kwan Wing 持有3,144,000 股本公司普通股。

高先生之配偶張逸君女士持有本公司2,040,816股普通股。

- (ii) 該等股份由Gallium International Limited 持有，而由張心瑜女士全資擁有之公司Creative World International Limited 全資擁有該公司之股權。

**Directors' interests in equity or debt securities** (Continued)

- (b) Million Way Enterprises Limited, a wholly-owned subsidiary of UHL, holds preference share of face value of US\$15,000,000 issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company. These preference shares are exchangeable to approximately 24,786,780 ordinary shares in the Company at a conversion price of HK\$4.69 per share, subject to adjustment.
- (c) Rights to acquire ordinary shares of the Company  
Details of the share options granted to certain directors during the year are as follows:

**董事於股本及債券之權益** (續)

- (b) 友利控股之全資附屬公司 Million Way Enterprises Limited 持有面值 15,000,000 美元由本公司之全資附屬公司天地數碼(集團)有限公司發行之優先股。該公司可以每股 4.69 港元兌換價兌換大約 24,786,780 股(或會調整)本公司普通股。
- (c) 收購本公司普通股之權利  
年內授於若干董事之購股權詳情如下：

Directors 董事	Date of share options granted 授出購股權日期	Number of share options outstanding as at 1st January 2002 於二零零二年 一月一日尚未 行使之 購股權數目	Number of share options granted during the year 年內授出之 購股權數目	Number of share options cancelled/ lapsed during the year 年內已取消/ 失效之 購股權數目	Number of share options outstanding as at 31st December 2002 於二零零二年 十二月三十一日 尚未行使之 購股權數目	Exercise price per share HK\$ 每股 行使價 港元	
Mr. Ko Chun Shun, Johnson 高振順先生	10/9/1999	2,450,000	-	(2,450,000)	-	1/1/2000 - 31/12/2002	2.25
	23/7/2002	-	3,000,000	-	3,000,000	24/7/2002 - 23/7/2005	1.47
Mr. Lui Pan, Terry 呂品先生	10/9/1999	2,750,000	-	(2,750,000)	-	1/1/2000 - 31/12/2002	2.25
	6/3/2000	2,500,000	-	(2,500,000)	-	7/3/2000 - 6/3/2003	9.89
	23/7/2002	-	3,000,000	-	3,000,000	24/7/2002 - 23/7/2005	1.47
	23/7/2002	-	1,000,000	-	*1,000,000	24/7/2002- 23/7/2005	1.47
Ms. Cheung Sum Yu, Fiona 張心瑜女士	10/9/1999	1,634,000	-	(1,634,000)	-	1/1/2000 - 31/12/2002	2.25
Mr. Ronald Richard Budacz	10/9/1999	800,000	-	(800,000)	-	1/1/2000 - 31/12/2002	2.25

\*Held by Ms. Chan Ping, an employee of the Group as well as the spouse of Mr. Lui Pan, Terry.

\* 由呂品先生之配偶陳萍女士持有，而她亦是本集團之僱員

**Directors' interests in equity or debt securities** (Continued)

(d) Rights to acquire ordinary shares of UAL, a shareholder of the Company and a former intermediate holding company

UAL also adopted a share option scheme on 4th August 1999. The details of the share options of UAL granted to certain directors of the Company to subscribe for shares of UAL are as follows:

Directors 董事	Date of share options granted 授出購股權日期	Number of share options outstanding as at 1st January 2002 於二零零二年 一月一日尚未 行使之 購股權數目	Number of share options granted during the year 年內授出之 購股權數目	Number of share options cancelled/ lapsed during the year 年內已取消/ 失效之 購股權數目	Number of share options outstanding as at 31st December 2002 於二零零二年 十二月三十一日 尚未行使之 購股權數目	Exercise period 行使期	Exercise price per share HK\$ 每股 行使價 港元
Mr. Ko Chun Shun, Johnson 高振順先生	2/10/1999	18,000,000	-	(18,000,000)	-	1/1/2000 - 31/12/2002	0.26
Mr. Lui Pan, Terry 呂品先生	2/10/1999	9,000,000	-	(9,000,000)	-	1/1/2000 - 31/12/2002	0.26
	6/3/2000	25,000,000	-	(25,000,000)	-	7/3/2000 - 6/3/2003	0.31
Ms. Cheung Sum Yu, Fiona 張心瑜女士	2/10/1999	4,000,000	-	(4,000,000)	-	1/1/2000 - 31/12/2002	0.26

Save as disclosed above, at no time during the year was the Company or its subsidiaries, a party to any arrangement to enable the Company's directors to acquire benefit by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the year, the directors and chief executive (including their spouse and children under 18 years of age) had any interest in, or had been granted or exercised, any rights to subscribe for shares in the Company and its associated corporations (within the meaning of the SDI Ordinance).

**董事於股本及債券之權益** (續)

(d) 收購本公司股東(前中間控股公司)友利電訊普通股之權利

友利電訊亦於一九九九年八月四日採納一項購股權計劃。友利電訊授予本公司若干董事認購友利電訊股份之購股權詳情如下：

除上述所披露者外，本公司及其附屬公司於本年度內並無訂立任何安排，致令本公司董事可透過購買本公司或任何其他法團之股份或債券而獲得利益。

除上文披露者外，董事及行政總裁(包括彼等各自之配偶及18歲以下子女)概無於本年度內在本公司及其附屬公司(披露權益條例所賦予之涵義)擁有任何權益，或被授予或已行使任何權利以認購本公司或其附屬公司之股份。

### Substantial shareholders

At 31st December 2002, save as disclosed under the section "Directors' interests in equity or debt securities" above, no other person had registered an interest of 10% or more in the issued share capital of the Company that would be required to be recorded under Section 16(1) of the SDI Ordinance.

### Purchase, redemption or sale of securities

The Company redeemed 416,262 of its preference shares at HK\$1.5 each on 4th February 2002. Apart from this, neither the Company, nor any subsidiaries has purchased or sold any of the Company's shares during the year.

### Compliance with the Code of Best Practice of the Listing Rules

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules.

Independent non-executive directors are not appointed for a specific term as all of the directors, excluding the executive chairman and the managing director, and without limitation to non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or there was no restriction against such rights under the laws of Bermuda.

### Audit committee

The Company established an audit committee in 1999 in accordance with paragraph 14 of the Code of Best Practice. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the group audit. The Committee comprises one non-executive director, Mr. Shaw Sun Kan and two independent non-executive directors, namely Mr. Chu Hon Pong and Mr. Liu Tsun Kie. Two meetings were held during the current year.

### 主要股東

於二零零二年十二月三十一日，除上文「董事於股本及債券之權益」所披露者外，概無任何其他人士於本公司已發行股本中持有10%或以上權益，並根據披露權益條例第16(1)節規定應予以記錄。

### 購買、贖回或出售證券之安排

本公司除於二零零二年二月四日贖回416,262股面值1.50港元之優先股，本公司或其任何附屬公司於本年度內並無購買或出售本公司任何股份。

### 上市規則最佳應用守則之遵守

本公司於本年度內一直遵守上市規則所載之最佳應用守則。

獨立非執行董事並無特定任期。全體董事(惟不包括執行主席及董事總經理，非執行董事亦不在此限)須根據本公司章程細則於股東周年大會上輪流告退，亦可膺選連任。

### 優先購買權

本公司章程細則內並無有關優先購買權之規定，百慕達法例亦無對該等權利作出限制。

### 審核委員會

本公司已根據最佳應用守則第14段於一九九九年成立審核委員會。闡述審核委員會權力及職責之書面職權範圍及條款，乃經參考香港會計師公會所發出之「審核委員會成立指引」而編製及採納。

審核委員會為董事會及本公司核數師在集團審核事宜方面提供一個重要聯繫。審核委員會由一位非執行董事蕭宇成先生及兩位獨立非執行董事朱漢邦先生及劉俊基先生組成。於年內曾舉行兩次會議。

### Subsequent events

Details of the subsequent events of the Group and of the Company are set out in note 29 to the accounts.

### Auditors

Ernst & Young retired and PricewaterhouseCoopers was appointed as auditors of the Company on the annual general meeting held on 27th June 2001. Apart from this, there has been no other change of auditors in past three years. The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ko Chun Shun, Johnson  
Chairman

Hong Kong  
25th April 2003

### 結算日後事項

本集團及本公司之結算日後事項之詳情載於帳目附註29。

### 核數師

安永會計師事務所任滿告退，羅兵咸永道會計師事務所於二零零一年六月二十七日舉行之股東周年大會上獲委任為本公司核數師。除此之外，過往三年核數師概無任何其他變動。羅兵咸永道會計師事務所已審核本年報帳目，任滿告退，並符合資格願膺選連任本公司之核數師。

承董事會命

高振順  
主席

香港  
二零零三年四月二十五日