

The directors present their annual report and the audited financial statements for the period from 1st April, 2003 to 31st December, 2003.

During the period, the Company changed its financial year end date from 31st March to 31st December to bring the balance sheet date in line with that of the majority of overseas principal subsidiaries. The financial statements presented therefore cover the nine months from 1st April, 2003 to 31st December, 2003.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries and associates are set out in notes 16 and 17, respectively, to the financial statements.

RESULTS

The results of the Group for the period from 1st April, 2003 to 31st December, 2003 are set out in the consolidated income statement on page 23.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 30 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for less than 30% of the Group's turnover for the period from 1st April, 2003 to 31st December, 2003.

The five largest suppliers of the Group accounted for less than 30% of the Group's purchases for the period from 1st April, 2003 to 31st December, 2003.

RESERVES

Movements during the period in the reserves of the Group and the Company are set out in note 32 to the financial statements.

Under The Companies Act 1981 of Bermuda, the Company's contributed surplus account is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

董事會欣然提呈截至由二零零三年四月一日至二零零三年十二月三十一日止期間之年報及經審核財務報表。

於本期間，本公司將財務年度結算日更改為三月三十一日，以令結算日與大部份海外主要附屬公司一致。現提呈之財務報表涵蓋由二零零三年四月一日至二零零三年十二月三十一日止九個月。

主要業務

本公司為一間投資控股公司，其主要附屬公司及聯營公司之業務載於財務報表附註16及17。

業績

有關本集團截至由二零零三年四月一日至二零零三年十二月三十一日之業績詳情載於第23頁之綜合收益賬。

股本

本公司之股本之變動詳情載於財務報表附註30。

主要客戶與供應商

截至由二零零三年四月一日至二零零三年十二月三十一日止期間，本集團五大客戶之總銷貨額少於本集團營業額之30%。

截至二零零三年四月一日至二零零三年十二月三十一日止期間，本集團五大供應商之購貨額少於本集團總購貨額之30%。

儲備

有關本集團及本公司之儲備於年內變動詳情載於財務報表附註32。

根據百慕達之一九八一年公司法案，本公司之繳入盈餘可分派予股東。然而，本公司於下列情況下則不能宣派或繳付股息或分派繳入盈餘；如

- (a) 公司在繳款或將在繳款後則不能清還到期之負債。

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the Company does not have reserves available for distribution to shareholders as at 31st March, 2003 and 31st December, 2003.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

DIRECTORS

The directors of the Company during the period and up to the date of this report were:

Executive directors:

Mr. Lam Kwok Yan (*Chairman*)

Mr. Lam Kwok Hing (*Deputy Chairman and Managing Director*)

Non-executive director:

Mr. Kwan Wang Wai Alan (*re-designated as independent non-executive director on 27th April, 2004*)

Independent non-executive directors:

Mr. Ng Chi Kin David

Mr. Cheung Kin Wai

In accordance with Clause 87 of the Company's Bye-laws, Mr. Cheung Kin Wai retires and, being eligible, offers himself for re-election.

In order to comply with the latest Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, Mr. Kwan Wang Wai Alan, a non-executive director, has been re-designated as an independent non-executive director of the Company.

The terms of office of each independent non-executive director are the period up to their retirement by rotation in accordance with the above clause.

The director being proposed for re-election at the forthcoming annual general meeting does not have 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).

(b) 公司資產之可變現價值少於公司之負債、已發行股本及股份溢價之總值。

就董事們之意見，本公司在二零零三年三月三十一日及二零零三年十二月三十一日並無可分派予股東之儲備。

物業、廠房及設備

有關本集團物業、廠房及設備之變動詳情載於財務報表附註12。

董事

期內及直至本報告刊發之日本公司董事如下：

執行董事：

藍國恩先生 (*主席*)

藍國慶先生 (*副主席兼董事總經理*)

非執行董事：

關宏偉先生 (*於二零零四年四月二十七日重新委任為獨立非執行董事*)

獨立非執行董事：

伍志堅先生

張健偉先生

根據本公司之公司附例第87條，張健偉先生現依章告退，惟願膺選連任。

以符合香港聯合交易所有限公司最新的證券上市規則，非執行董事關宏偉先生已被重新委任為本公司獨立非執行董事。

各獨立非執行董事之任期根據以上之公司附例輪選退任。

擬於即將舉行之股東大會上重選連任之董事概無與本公司或其任何附屬公司訂有不能由本集團於一年內免付賠償 (法定賠償除外) 終止之未屆滿服務合約。

DIRECTORS' SERVICE CONTRACTS

Each of Messrs. Lam Kwok Yan and Lam Kwok Hing had a service contract with the Company. These service contracts continued unless and until terminated by either the Company or the directors giving to the other 6 months' notice in writing.

DIRECTORS' INTERESTS IN SHARES

At 31st December, 2003, the interests of the directors in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), 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:

Long position

(a) Ordinary shares of HK\$0.01 each of the Company

Name of director 董事姓名	Number of issued ordinary shares held 所持普通股數目		Total 總額	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
	Personal interests 個人權益	Corporate interests 公司權益		
Mr. Lam Kwok Yan 藍國恩先生	69,503,340	1,940,826,660	2,010,330,000	36.36%
Mr. Lam Kwok Hing 藍國慶先生	69,493,340	1,940,826,660	2,010,320,000	36.36%

At 31st December, 2003, an aggregate of 1,940,826,660 shares of the Company were held by Optimist International Limited ("Optimist"). Messrs. Lam Kwok Yan and Lam Kwok Hing ("Messrs. Lam") are each entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Medusa Group Limited, which in turn is entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Optimist. Accordingly, under the SFO, Messrs. Lam are each deemed to be interested in all the 1,940,826,660 shares of the Company held by Optimist.

董事服務合約

藍國恩先生與藍國慶先生分別與本公司訂立服務合約。除非和直至被公司終止或董事以六個月書面通知解約有關之服務合約將仍然生效或為止。

董事之股份權益

於二零零三年十二月三十一日，根據證券及期貨條例第352條，本公司須存置之登記冊所記錄或根據上市公司董事進行證券交易之標準守則，須知會本公司及香港聯合交易所有限公司，董事於本公司及其聯營公司之股本權益如下：

長倉

(a) 於本公司每股面值0.01港元之普通股

於二零零三年十二月三十一日，合共1,940,826,660之本公司股份由Optimist International Limited ("Optimist")持有。由於藍國恩先生及藍國慶先生（「諸位藍先生」）各有權在Medusa Group Limited之股東大會上行使或控制三分之一或以上之投票權，而Medusa Group Limited有權在Optimist之股東大會上行使或控制三分之一或以上之投票權。因此根據證券及期貨條例，諸位藍先生個別被視為擁有由Optimist所持之1,940,826,660本公司股份之權益。

(b) Ordinary shares of HK\$1 each of Asia Nice Art Production Limited, a 60% owned subsidiary of the Company

(b) 矜藝亞洲廣告製作有限公司每股面值1港元之普通股(本公司擁有60%權益之附屬公司)

Name of director 董事姓名	Number of issued ordinary shares held (Personal interests) 所持普通股之數目 (個人權益)	Percentage of the issued share capital of Asia Nice Art Production Limited 佔矜藝亞洲廣告製作有限公司已發行股本百分比
Mr. Lam Kwok Yan 藍國恩先生	1,000	10%

(c) Share options

(c) 購股權

Name of director 董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 所持相關股份數目
Mr. Lam Kwok Yan 藍國恩先生	Beneficial owner 實益擁有人	114,500,000	114,500,000
Mr. Lam Kwok Hing 藍國慶先生	Beneficial owner 實益擁有人	114,500,000	114,500,000
		229,000,000	229,000,000

Save as disclosed above, except for certain nominee shares in certain subsidiaries held in trust for the Company by certain directors, none of the directors, the chief executive or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2003.

於二零零三年十二月三十一日，除上文所述權益及部份董事以本公司代理人持有本公司某些附屬公司股份之外，概無董事、主要行政人員或其聯繫人士於本公司或其任何聯營公司持有任何股份、相關股份或債券之權益或淡倉。

CONNECTED TRANSACTIONS

(1) On 7 October 2003, Happy Win Resources Ltd, a wholly owned subsidiary of the Company, has entered into an agreement with Teleinvest Holdings Ltd ("Teleinvest") to buy back 20 shares of Sky Citi-Link ATNT (Holdings) Limited ("SCL") together with the shareholder loan owned by SCL to Teleinvest at a consideration of HK\$100,001. Upon completion of the transaction, SCL becomes a wholly owned subsidiary of the Company.

關連交易

(1) 於二零零三年十月七日，本公司之全資附屬公司Happy Win Resources Ltd與Teleinvest Holdings Ltd(「Teleinvest」)訂立一項協議，以購回Sky Citi-Link ATNT (Holdings) Limited(「SCL」)之20股股份連同SCL結欠Teleinvest之股東貸款，總代價為100,001港元。於交易完成後，SCL成為本集團之全資附屬公司。

- (2) During the period, ATNT Global Investments Ltd has paid \$24,074 to Karl Thomson Securities Company Limited, which is a wholly owned subsidiary of Karl Thomson Holding Ltd ("KT"), as commission and other service charges for securities dealing. Included in the amount of \$15,482 represented the stamp duty, transaction levy and other miscellaneous charges paid as required by relevant parties through Karl Thomson Securities Company Limited. KT is beneficiary owned as to about 67.76% by J&A Investment Ltd which is beneficiary owned as to 80% by Mr. Lam Kwok Hing, the Deputy Chairman of the Company

DIRECTORS' INTEREST 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 period or at any time during the period.

SHARE OPTIONS

The Company has share options schemes under which executive directors and employees of the Company or any of its subsidiaries may be granted options to subscribe for shares in the Company. Details of the options schemes and the options granted to the directors are set out in note 31 to the financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangement to enable the directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

- (2) 期內，亞洲聯網環球投資有限公司已向高信集團控股有限公司（「高信」）之全資附屬公司高信證券有限公司支付24,074港元作為證券交易之佣金及其他服務費用（支付費用包括15,482港元經高信證券有限公司向相關團體支付之印花稅、交易費用及其他雜費）。高信乃由本公司副主席藍國慶先生實益擁有80%之J&A Investment Ltd實益擁有約67.76%。

董事於重大合約的權益

於本期間止或任何期間內，本公司或其任何附屬公司概無訂立與本公司董事直接或間接有重大利益之合約。

購股權計劃

根據購股權計劃，董事會可向本公司或其附屬公司執行董事及僱員授出購股權以認購本公司之股份。購股權計劃和向董事獲授出購股權的詳情載於財務報表附註31。

董事收購股份或債券之權利

除上文所披露及於期內任何時間，本公司或其任何附屬公司概無訂立任何安排，令本公司董事或其配偶或其低於十八歲之子女可藉收購本公司或任何其他法人團體之股份或債券而獲得利益。

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that, other than the interests disclosed above in respect of Optimist, the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

Long position - ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Ngo Cheng Long 吳靜浪先生	Beneficial owner 實益擁有人	500,000,000	9.04%

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 31st December, 2003.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Company has complied throughout the period from 1st April, 2003 to 31st December, 2003 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.

AUDIT COMMITTEE

During the period, the Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters, including the review of audited financial statement.

主要股東

於二零零三年十二月三十一日，根據證券及期貨條例第336條，本公司須予備存之主要股東名冊之記錄，除上文所披露Optimist持有之本公司權益外，下列股東已知會本公司其於本公司已發行股本中之相關權益。

長倉 - 本公司每股面值0.01港元之普通股

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Ngo Cheng Long 吳靜浪先生	Beneficial owner 實益擁有人	500,000,000	9.04%

除上文所披露之權益外，根據證券及期貨條例第336條，本公司須予備存之主要股東登記名冊，於二零零三年十二月三十一日，概無任何人士持有本公司已發行股本之重大權益或淡倉。

購入、出售或贖回本公司之上市證券

於本期間內，本公司及其任何附屬公司概無購入、出售或贖回任何本公司之上市證券。

優先購買權

根據本公司附例或百慕達法例並無優先購買權的規定。將要求公司以按比例基準向現有股東給予新股。

公司管治

據董事所知，於截至由二零零三年四月一日至二零零三年十二月三十一日止期間內，本公司一直遵照香港聯合交易所有限公司上市規定附錄十四所載之最佳應用守則而行事。

審核委員會

審核委員會已与管理層審核本集團採納之會計原則及慣例，並已討論載於本期間內之審核及財務呈報事宜。

POST BALANCE SHEET EVENTS

Details of the post balance sheet events are set out in note 39 to the financial statements.

AUDITORS

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

On behalf of the Board

LAM KWOK HING

DEPUTY CHAIRMAN AND MANAGING DIRECTOR

Hong Kong, 27th April, 2004

資產負債表結算後之事項

有關資產負債表結算後之事項之詳情載於財務報表附註39。

核數師

本公司將於股東週年大會上提呈決議案，再度聘任德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

副主席兼董事總經理

藍國慶

香港，二零零四年四月二十七日