

Report of the Directors

董事會報告書

董事會謹將截至二零零三年十二月三十一日止年度之報告書及經審核之帳項呈奉各股東閱覽。

主要業務

本公司之主要業務為地產發展、投資及投資控股。其部份附屬公司之主要業務載於帳項附註27(a)。

主要客戶及供應商

本集團五大客戶及五大供應商分佔本集團年內總銷售額及總採購額均不足30%。

附屬公司

本公司之主要附屬公司資料載於帳項附註27(a)。

集團盈利

本集團截至二零零三年十二月三十一日止年度之盈利與本公司及本集團於二零零三年十二月三十一日之財務狀況刊於本報告書第38至第87頁之帳項內。

股息

中期股息每股6仙已於二零零三年十月三十日派發。董事會現建議派發截至二零零三年十二月三十一日止年度之末期股息，每股22仙。

The directors have pleasure in submitting their annual report together with the audited statement of accounts for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property development and investment and the holding of investments. The principal activities of certain of its subsidiaries are set out in note 27(a) on the accounts.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30% of the Group's sales and less than 30% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers respectively.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in note 27(a) on the accounts.

GROUP PROFIT

The profit of the Group for the year ended 31 December 2003 and the state of affairs of the Company and of the Group at that date are set out in the accounts on pages 38 to 87.

DIVIDENDS

An interim dividend of €6 per share was paid on 30 October 2003. The directors now recommend that a final dividend of €22 per share be paid in respect of the year ended 31 December 2003.

捐款

本集團於本年度內共捐款40,400元作慈善用途。

固定資產

年內固定資產變動情形載於帳項附註11。

股本

年內股本變動情形載於帳項附註21。

儲備金

年內儲備金變動情形載於帳項附註22。

董事酬金

依照香港公司條例第161條及香港聯合交易所有限公司證券上市規則（「上市規則」）之上市協議第9(1)(q)節而披露之董事酬金資料載於帳項附註5(a)。

董事

本年度及至本報告書日期之本公司董事如下：

柯為湘先生
Keith Alan Holman先生
吳志文女士
黎家輝先生
譚希仲先生
楊國光先生
周湛榮先生
司徒振中先生
陸恭正先生
李國星先生

DONATIONS

Charitable donations made by the Group during the year amounted to \$40,400.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 11 on the accounts.

SHARE CAPITAL

Movements in share capital during the year are set out in note 21 on the accounts.

RESERVES

Movements in reserves during the year are set out in note 22 on the accounts.

DIRECTORS' REMUNERATION

Particulars of the directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and Paragraph 9(1)(q) of the Listing Agreement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") are set out in note 5(a) on the accounts.

DIRECTORS

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

Mr Or Wai Sheun
Mr Keith Alan Holman
Ms Ng Chi Man
Mr Lai Ka Fai
Mr Tam Hee Chung
Mr Yeung Kwok Kwong
Mr Chau Cham Son
Mr Seto Gin Chung, John
Mr Lok Kung Chin, Hardy
Mr Li Kwok Sing, Aubrey

根據本公司公司組織章程第105條，司徒振中先生、陸恭正先生及李國星先生於將召開之股東週年大會任期屆滿，依章告退，但得候選連任。

In accordance with article 105 of the Articles of Association of the Company, Mr Seto Gin Chung, John, Mr Lok Kung Chin, Hardy and Mr Li Kwok Sing, Aubrey will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

董事之股份及淡倉權益

於二零零三年十二月三十一日，根據證券及期貨條例第XV部(第352條)規定而存置之登記冊所載，本公司各董事及其有關之聯繫人持有之本公司股份如下：

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 31 December 2003, the Directors and their respective associates had the following interests in the shares of the Company as recorded in the register maintained by the Company pursuant to Part XV (s.352) of the Securities and Futures Ordinance ("SFO"):

董事姓名 Name of Director	好倉 Long position	淡倉 Short position	每股港幣一角之本公司股份 Shares of HK\$0.10 each in the capital of the Company	附註 Note
			所佔已發行股份 總數之百分比 Percentage of total issued share	
柯為湘 Or Wai Sheun	353,023,083	—	72.97%	1
吳志文 Ng Chi Man	352,838,083	—	72.94%	2
譚希仲 Tam Hee Chung	750,000	—	0.16%	3
黎家輝 Lai Ka Fai	200,000	—	0.04%	4
楊國光 Yeung Kwok Kwong	100,000	—	0.02%	4
Keith Alan Holman	100,000	—	0.02%	4
陸恭正 Lok Kung Chin, Hardy	200,000	—	0.04%	5

附註：

1. 持有 352,838,083 股之 Intellinsight Holdings Limited 由一酌情家族信託全資擁有，而柯為湘先生為該信託之成立人。柯先生及其家族成員為該信託之受益人。此等股份與吳志文女士所披露之權益屬相同權益。

China Dragon Limited 持有 185,000 股並由柯為湘先生全資擁有。
2. 吳志文女士為柯為湘先生之配偶，彼透過於柯氏家族信託之權益擁有 352,838,083 股。此等股份亦包括於柯為湘先生所披露之權益內。
3. 譚希仲先生為 250,000 股之實益擁有人，而 500,000 股則由譚希仲產業測計師有限公司所持有。譚希仲先生持有譚希仲產業測計師有限公司已發行股本 48%。
4. 股份由個別董事以實益擁有人身份持有。
5. 200,000 股股份由陸恭正先生成立之酌情家族信託擁有。

除上述披露者外，本公司任何董事或其各自之聯繫人概無持有任何股份及淡倉權益，或根據證券及期貨條例第 XV 部被視為當作持有本公司或其任何相聯公司（按證券及期貨條例第 XV 部所界定者）之股份、相關股份及債券權益而須根據證券及期貨條例第 XV 部或根據上市公司董事進行證券交易的標準守則通知本公司及聯交所又或須根據證券及期貨條例第 352 條而記入該條所提及之登記冊。此外，董事（包括其配偶及未滿 18 歲之子女），於二零零三年十二月三十一日均沒有（亦不曾獲授）任何可認購本公司之股份及購股權之利益或權益，亦從未行使過任何有關權利。

Notes:

1. Intellinsight Holdings Limited held 352,838,083 shares and is ultimately wholly-owned by a discretionary family trust of which Mr Or Wai Sheun is the founder. Mr Or and his family members are beneficiaries of the trust. These shares represented the same interest as disclosed by Ms Ng Chi Man.

China Dragon Limited held 185,000 shares and is wholly-owned by Mr Or Wai Sheun.
2. Ms Ng Chi Man is the spouse of Mr Or Wai Sheun. Ms Ng is interested in 352,838,083 shares through her interest in a family trust of the Or family. These shares are also included in the interest disclosed by Mr Or Wai Sheun.
3. 250,000 shares were held by Mr Tam Hee Chung as beneficial owner, while 500,000 shares were held by Larry H.C. Tam & Associates Limited. 48% of the issued share capital of Larry H.C. Tam & Associates Limited is held by Mr Tam.
4. Shares were held by the respective Directors in their capacity as beneficial owner.
5. 200,000 shares were owned by a discretionary family trust of which Mr Lok Kung Chin, Hardy is the founder.

Other than the holdings disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associates corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein. Nor any of the Directors (including their spouses and children under the age of 18) had, as at 31 December 2003, any interest in, or had been granted any right to subscribe for the shares and options of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

依據證券及期貨條例透露有關股東之股份及淡倉權益

於二零零三年十二月三十一日，根據證券及期貨條例第XV部(第336條)所設存之股份權益及淡倉登記冊之記錄，除董事外，持有本公司之股份或相關股份之權益及淡倉之人士如下：

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2003, the interests and short positions of persons, other than Directors, in the shares and underlying shares of the Company as recorded in the register required to be kept under Part XV (s.336) of the SFO were as follows:

股東姓名 Name of Shareholder	好倉 Long position	淡倉 Short position	每股港幣一角之本公司股份 Shares of HK\$0.10 each in the capital of the Company 所佔已發行股份 總數之百分比 Percentage of total issued shares	附註 Note
滙豐國際信託有限公司 HSBC International Trustee Limited	353,933,433	—	73.16%	1
The Or Family Trustee Limited Inc	352,838,083	—	72.94%	1&2
Polytec Holdings International Limited	352,838,083	—	72.94%	1&2
Intellinsight Holdings Limited	352,838,083	—	72.94%	1&2

附註：

Notes:

- 滙豐國際信託有限公司以若干由其管理之酌情信託基金之受託人身份持有353,933,433股，當中已包括The Or Family Trustee Limited Inc、Polytec Holdings International Limited及Intellinsight Holdings Limited披露之352,838,083股。
- Intellinsight Holdings Limited為Polytec Holdings International Limited之全資附屬公司，而Polytec Holdings International Limited乃由若干受益人為柯為湘先生及其家族成員之信託全資擁有。該等信託之受託人為The Or Family Trustee Limited Inc及滙豐國際信託有限公司。

- 353,933,433 shares were held by HSBC International Trustee Limited as trustee of certain discretionary trusts that it manages and included the 352,838,083 shares disclosed by The Or Family Trustee Limited Inc, Polytec Holdings International Limited and Intellinsight Holdings Limited.
- Intellinsight Holdings Limited is a wholly-owned subsidiary of Polytec Holdings International Limited, which is in turn wholly-owned by certain trusts of which Mr Or Wai Sheun and his family members are beneficiaries. The trustees of the trusts are The Or Family Trustee Limited Inc and HSBC International Trustee Limited.

購股權計劃

為符合二零零一年九月一日生效之上市規則第17章之新規定，本公司於二零零三年五月二十一日採納新購股權計劃（「購股權計劃」）並終止於二零零零年六月十九日採納之購股權計劃。購股權計劃之主要條文如下：

- (i) 本公司可於二零零三年五月二十一日起之十年內以一元之代價向合資格人士授出購股權以認購本公司股份。合資格人士包括任何董事會認為其對本集團或由本集團持有股權權益之任何機構（「投資機構」）之成長及發展已經或可能作出貢獻之僱員、董事、供應商、客戶、業務夥伴或業務聯繫人、買賣經紀、顧問或諮詢人、持有由本集團任何成員公司發行之證券或投資機構所發行之證券之人士。
- (ii) 根據購股權計劃，本公司可發行合共48,376,785股股份，相等於本公司於採納購股權計劃當日已發行股份總數之10%。自採納購股權計劃以來，並無授出購股權予任何人士，而可供發行之股份總數仍為48,376,785股，相當於本報告書日期本公司已發行股本8.54%。
- (iii) 於購股權計劃下，股份之認購價將由董事會釐定，惟認購價不得少於下列者之最高價(a)於購股權授出日期本公司股份在聯交所當日報價表所列之收市價；(b)緊接授出購股權日期前連續五個營業日本公司股份在聯交所報價表所列之平均收市價及(c)本公司股份之面值。

SHARE OPTION SCHEME

In order to comply with the new requirements of Chapter 17 of the Listing Rules effective on 1 September 2001, the Company adopted on 21 May 2003 a new share option scheme (the “Share Option Scheme”) and terminated the share option scheme adopted on 19 June 2000. The key terms of the Share Option Scheme are summarized below:

- (i) The Company may grant, for a consideration of \$1.00 for each grant, options within 10 years from 21 May 2003 to Eligible Persons to subscribe for shares of the Company. Eligible Persons include any employee, director, supplier, customer, business partner or business associate, trading agent, consultant or adviser, holder of any securities issued by any member of the Group or any entity in which the Group holds an equity interest (“Invested Entity”) of any member of the Group or any Invested Entity who, in the discretion of the Board of Directors, has contributed or will contribute to the growth and development of the Group or any Invested Entity.
- (ii) The total number of shares which may be issued pursuant to the Share Option Scheme is 48,376,785 shares, being 10% of the total number of shares of the Company in issue as at the date of approval of the New Share Option Scheme. No option has been granted under the Share Option Scheme to any person since its adoption and the total number of shares available for issue remains at 48,376,785 representing 8.54% of the issued share capital of the Company at the date of this report.
- (iii) The subscription price of the shares under the Share Option Scheme will be determined by the Board but shall not be less than the highest of (a) the closing price of the Company’s share as stated in the Stock Exchange’s daily quotation on the date of the offer; (b) the average closing price of the Company’s share as stated in the Stock Exchange’s daily quotations for the five business days immediately preceding the date of offer and (c) the nominal value of the Company’s share.

(iv) 行使購股權之期限由董事會釐定，惟該段期間不得遲於購股權授出及接納日期後十年。

(iv) The exercise period of any option granted under the Share Option Scheme shall be determined by the Board and such period shall not be more than 10 years commencing on the date on which the option is granted and accepted.

董事於合約上之利益及關連交易

本公司之全資附屬公司 Future Star International Limited (「Future Star」) 與 Polytec Holdings 於二零零四年一月七日訂立協議 (「協議」)，Future Star 有條件同意向 Polytec Holdings 收購其全資附屬公司 Top Milestone Developments Limited (「Top Milestone」)，全部已發行股本及股東貸款 (「收購」)，收購代價為 400,000,000 元。

於二零零三年十一月十一日，Top Milestone 與 Polytec Holdings 之全資附屬公司保利達洋行有限公司 (「保利達洋行」) 訂立一份共同投資協議 (「共同投資協議」)，據此，Top Milestone 同意向保利達洋行提供融資以發展一項位於澳門之物業項目。

由於 Polytec Holdings 為本公司之控股股東，因此根據上市規則第 14.26 及 14.25(2) 條規定，該收購及由 Top Milestone 在完成後根據協議向保利達洋行提供貸款屬於本公司之關連交易。Polytec Holdings 由一家族信託最終全資擁有，而該信託之受益人包括本公司主席柯為湘先生、執行董事吳志文女士及其家庭成員。該收購之詳情已刊載於本公司於二零零四年一月三十日寄發之股東通函內，亦已於二零零四年二月十六日獲獨立股東批准，並於二零零四年二月二十四日完成。

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

On 7 January 2004, Future Star International Limited ("Future Star"), a wholly-owned subsidiary of the Company, and Polytec Holdings entered into an agreement ("Agreement") pursuant to which Future Star agreed to conditionally acquire from Polytec Holdings the entire issued share capital together with the shareholder's loan due by Top Milestone Developments Limited ("Top Milestone"), a wholly-owned subsidiary of Polytec Holdings, to Polytec Holdings ("Acquisition") at a consideration of \$400 million.

Top Milestone had entered into a co-investment agreement ("Co-Investment Agreement") with Polytex Corporation Limited ("Polytex"), a wholly-owned subsidiary of Polytec Holdings on 11 November 2003, whereby Top Milestone agreed to provide financing to Polytex in the development of a property project in Macau.

As Polytec Holdings is a controlling shareholder of the Company, the Acquisition and the provision of loans by Top Milestone to Polytex pursuant to the Co-Investment Agreement after completion of the Acquisition constitute connected transactions for the Company under Rule 14.26 and 14.25(2) of the Listing Rules respectively. Polytec Holdings is ultimately wholly-owned by a family trust the beneficiary objects of which include Mr Or Wai Sheun, the Chairman of the Company, Ms Ng Chi Man, an executive Director, and their family members. The Acquisition as detailed in a circular to shareholders issued by the Company on 30 January 2004 was approved by independent shareholders on 16 February 2004 and completed on 24 February 2004.

除上述披露者外，於本年度任何時間內，本公司、其任何附屬公司、控股公司或同集團附屬公司並未參與簽訂其他重要合約，使本公司任何董事得以享有重大利益。

董事之服務合約

擬於即將舉行之股東週年大會上候選連任之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毋須作出賠償(除法定賠償外)而終止之服務合約。

非執行董事須受本公司組織章程輪值告退之規定所規限。

購買、出售或贖回股份

本公司或其任何附屬公司於年中並無購買、出售或贖回本公司之股份。

銀行及其他貸款

本公司及本集團於二零零三年十二月三十一日之銀行及其他貸款狀況載於帳項附註14及20。

撥充成本之利息

本集團年內撥充成本之利息數額載於帳項附註3(a)。

五年財務摘要

本集團於過去五個財政年度之業績及資產負債，概要地載於本年報第2至第3頁。

Save as disclosed above, no other contracts of significance to which the Company, any of its subsidiaries, holding companies or fellow subsidiaries was a party and in which a director had a material interest subsisted at any time during the year.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

Non-executive directors are subject to retirement by rotation as required by the Company's Articles of Association.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries of the Company's shares during the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and of the Group as at 31 December 2003 are set out in notes 14 and 20 on the accounts.

INTEREST CAPITALIZED

The amount of interest capitalized by the Group during the year is set out in note 3(a) on the accounts.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 2 to 3 of the annual report.

物業

本集團物業資料載於本年報第88至第92頁。

退休計劃

本集團所設之退休計劃資料載於帳項附註28。

企業管治

審核委員會

審核委員會由四名非執行董事組成，其中大部份為獨立非執行董事。委員會每年最少召開兩次會議，以審議集團之中期及全年度業績報告，及後建議董事會作批准並會就本集團財政匯報程序之效率與內部監控作出討論。委員會會邀請核數師之高層代表及本公司之管理高層出席委員會會議。

遵守最佳應用守則

並無任何董事知悉有任何資料足以合理地指出本公司於年中任何時間，曾不遵守上市規則中附錄14所列出之最佳應用守則之規定。

核數師

畢馬威會計師事務所任滿告退，惟願應聘連任。在即將召開之股東週年大會上將提呈議案，議決續聘畢馬威會計師事務所為本公司之核數師。

承董事會命
主席
柯為湘

香港，二零零四年三月二十九日

PROPERTIES

Particulars of properties of the Group are shown on pages 88 to 92 of the annual report.

RETIREMENT SCHEMES

Particulars of the retirement schemes operated by the Group are set out in note 28 on the accounts.

CORPORATE GOVERNANCE

Audit Committee

The Audit Committee, comprising four Non-executive Directors a majority of whom are Independent Non-executive Directors, meets at least twice a year to review interim and final results of the Group prior to recommending them to the Board for approval and to discuss matters relating to the effectiveness of the Group's financial reporting process and internal controls. Senior representatives of the auditors and senior executives of the Company are invited to attend the meetings.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company was not in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, at any time during the year.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board
Or Wai Sheun
Chairman

Hong Kong, 29 March 2004