

董事會謹此提呈本公司及本集團截至二零零三年十二月三十一日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團之主要業務為提供全程物流及運輸配套服務，以及相關資產及項目之投資、經營及管理。此外，本集團亦經營物業投資業務。本公司屬下各主要附屬公司、聯營公司及共同控權合資公司之主要業務之詳情載於本年報第131至135頁。

分部資料

本集團截至二零零三年十二月三十一日止年度按主要業務及經營地區分類之營業額及業績貢獻分析載於財務報表附註五。

集團業績

本集團截至二零零三年十二月三十一日止年度之業績及本公司與本集團於該日之財務狀況載列於第66至129頁之財務報表內。

股息

董事會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，每股港幣0.4仙（二零零二年：無），合共港幣4,500萬元（二零零二年：無）。

財務資料概要

本集團過往五個財政年度已刊發之業績及資產與負債之概要（摘錄自經審核財務報表並已適當地重新分類）載於本年報第9頁。

The directors herein present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of total logistics and transportation ancillary services as well as investment, operation and management of related assets and projects. Apart from the above, the Group is also engaged in property investment. Details of the principal activities of the Company's principal subsidiaries, associates and jointly-controlled entities are set out on pages 131 to 135 of this Annual Report.

SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to the results by principal activities and geographical area of operations for the year ended 31 December 2003 is set out in note 5 to the financial statements.

RESULTS OF THE GROUP

The Group's results for the year ended 31 December 2003 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 66 to 129.

DIVIDENDS

The board of directors recommended the payment of a final dividend of HK 0.4 cent per share (2002: Nil) amounting in aggregate to HK\$45 million (2002: Nil) in respect of the year ended 31 December 2003.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the 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 9 of this Annual Report.

固定資產

本集團於本年度內固定資產之變動詳情載於財務報表附註十六。

投資物業

本集團於本年度內投資物業之變動詳情載於財務報表附註十七。本集團之投資物業之進一步詳情載於本年報第130頁。

股本及購股權

本公司於本年度內股本及購股權變動之詳情(連同相關原因)載於財務報表附註三十。

優先購股權

本公司之公司細則或百慕達公司法均無優先購股權(即本公司須就此按持股比例之基準向其現有股東優先發售新股)之規定。

購買、贖回或出售本公司之上市證券

於本年度內，本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

儲備

本公司及本集團於本年度內儲備變動之詳情載於財務報表附註三十一。

FIXED ASSETS

Details of the movements in the fixed assets of the Group during the year are set out in note 16 to the financial statements.

INVESTMENT PROPERTIES

Details of the movements in the investment properties of the Group during the year are set out in note 17 to the financial statements. Further particulars of the Group's investment properties are set out on page 130 of this Annual Report.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in note 30 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the Companies Act 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 OF THE COMPANY

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 the movements in the reserves of the Company and the Group during the year are set out in note 31 to the financial statements.

可供分派之儲備

於二零零三年十二月三十一日，本公司可用作股東分派之儲備包括繳入盈餘及保留盈餘，總額為港幣166,182,000元（二零零二年：無），而本公司之股份溢價賬可以繳足股款紅利股份之方式進行分配。

主要客戶及供應商

本集團之主要客戶及供應商佔本集團本年度之銷售額及採購額之百分比分列如下：

銷售額

— 最大客戶	13%
— 五位最大客戶合計	35%

採購額

— 最大供應商	19%
— 五位最大供應商合計	41%

其中一位主要客戶深圳南玻工程玻璃有限公司乃本集團擁有24.39%權益之聯營公司中國南玻集團股份有限公司之全資附屬公司。本公司的非執行董事杜志強先生亦擔任其中一位主要供應商中國南方航空股份有限公司的獨立非執行董事。

除上文所披露者外，董事、彼等之聯繫人士或任何股東（指據董事所知擁有本公司百分之五或以上股本權益之股東）並無於上述主要客戶或供應商中擁有任何權益。

DISTRIBUTABLE RESERVES

As at 31 December 2003, the Company's distributable reserves available for distribution to shareholders, comprising contributed surplus and retained earnings, amounted to HK\$166,182,000 (2002: Nil). The share premium account of the Company may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales

- the largest customer	13%
- five largest customers combined	35%

Purchases

- the largest supplier	19%
- five largest suppliers combined	41%

Shenzhen CSG Architectural Glass Company Limited, one of the major customers, is a wholly-owned subsidiary of CSG Holding Co., Ltd., which in turn is the Company's 24.39% owned associate. Mr. To Chi Keung, Simon, a non-executive director of the Company, is also an independent non-executive director of China Southern Airlines Company Limited, one of the major suppliers.

Save as disclosed above, none of the directors, their associates or any shareholder (which to the knowledge of the directors owns 5% or more of the Company's share capital) had an interest in the major customers or suppliers noted above.

董事

於本年度內及截至本報告日期止，本公司董事會成員如下：

執行董事

李黑虎先生
陳潮先生
李景奇先生
喬剛先生

非執行董事

杜志強先生
孫玉麟先生
(於二零零四年三月二十六日辭任)
黃傳奇先生
(於二零零四年三月二十六日辭任)

獨立非執行董事

梁銘源先生
王獻平先生
丁迅先生

根據本公司之公司細則第109(A)條之規定(經公司細則第189(ix)條補充)，喬剛先生、杜志強先生及梁銘源先生須於即將舉行之股東週年大會上輪值告退，惟彼等符合獲重選連任之資格，並表示願意膺選連任。此外，王獻平先生已提出於即將舉行之股東週年大會上告退，惟王先生已向本公司表明，其將不會膺選連任本公司之董事。

根據非執行董事及獨立非執行董事之委任條款，彼等並無指定任期，惟須根據本公司之公司細則輪值告退。

董事簡介

本公司董事簡介之詳情載於本年報第45至47頁。

DIRECTORS

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

Executive directors

Mr. Li Hei Hu
Mr. Chen Chao
Mr. Li Jing Qi
Mr. Qiao Gang

Non-executive directors

Mr. To Chi Keung, Simon
Mr. Sun Yu Lin
(resigned on 26 March 2004)
Mr. Huang Chuan Qi
(resigned on 26 March 2004)

Independent non-executive directors

Mr. Leung Ming Yuen, Simon
Mr. Wang Xian Ping
Mr. Ding Xun

In accordance with the Company's Bye-Law 109(A) (supplemented by Bye-Law 189(ix)), Messrs. Qiao Gang, To Chi Keung, Simon and Leung Ming Yuen, Simon will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election. Furthermore, Mr. Wang Xian Ping has offered to retire at the forthcoming annual general meeting and has indicated to the Company that he will not offer himself for re-election as a director of the Company.

Under the terms of their appointments, the non-executive directors and 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.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 45 to 47 of this Annual Report.

董事之服務合約

任何擬於即將舉行之股東週年大會上重選連任之董事概無與本公司訂立任何不能由本公司於一年內終止而免付補償(法定補償除外)之服務合約。

董事於合約之權益

於本年度內，各董事於本公司或其任何附屬公司所參與訂立而與本集團業務有重大關係之任何合約中概無擁有重大權益。

董事於證券之權益

董事於本公司購股權所持有之權益在下文「購股權計劃」一節中另行披露。

由相聯法團授出之模擬股票期權計劃項下之利益：

深圳高速公路股份有限公司(「深圳高速」)

董事姓名 Name of Director	單位數目 Number of units	行使價 Exercise price	可行使日 Exercisable date
陳潮先生 Mr. Chen Chao	771,188	人民幣3.456元 RMB3.456	二零零三年三月十六日 16 March 2003

上述之單位數目乃根據深圳高速之股東於二零零一年三月六日批准及於二零零三年十月三十日修改之模擬股票期權計劃授出。經修改後，模擬股票期權由個人持有改為由深圳高速經理層及管理人員集體持有。持有人有權收取等值行使價與參考價(參考價按提出申請將模擬股票期權計劃項下之相關單位換取現金後之第六個交易日起計算之五個交易日深圳高速H股及A股之分別平均收市價值的60%及40%總值計算)之差的現金。上述期權已於二零零三年十二月三十一日後被取消。

DIRECTORS' SERVICE CONTRACTS

None of the directors 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

None of the directors had a material 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.

DIRECTORS' INTERESTS IN SECURITIES

The interests of the directors in the share options of the Company are separately disclosed in the section headed "SHARE OPTION SCHEME" below.

Interests in the share appreciation right scheme granted by an associated corporation:

Shenzhen Expressway Company Limited ("Shenzhen Expressway")

The number of units was granted pursuant to the share appreciation right scheme as approved by shareholders of Shenzhen Expressway on 6 March 2001 and amended on 30 October 2003. After the amendment, the units granted under such scheme are held collectively by the senior management and management staff of Shenzhen Expressway instead of holding by individual. Such scheme entitles unit holders to cash in the difference between the exercise price and the reference price which is calculated by reference to the aggregate of 60% and 40% of the average closing prices of the H shares and A shares of Shenzhen Expressway respectively for the five trading days commencing on the sixth trading day after the date of making application for cashing in the relevant units under the share appreciation right scheme. The aforesaid units have been cancelled after 31 December 2003.

除上文所披露者及於下文「購股權計劃」一節中另行披露之董事所持本公司購股權之權益外，於二零零三年十二月三十一日，本公司之董事及主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券期貨條例」）第XV部）之證券中擁有依據證券期貨條例第XV部第7及第8分部之規定須通知本公司及香港聯合交易所有限公司（「聯交所」）之證券權益及淡倉（包括根據證券期貨條例，本公司之董事及主要行政人員被假設或視為擁有之權益及淡倉），亦無擁有根據證券期貨條例第XV部第352條之規定須列入該條所提及之登記冊內或依據上市公司董事進行證券交易之標準守則須通知本公司及聯交所之證券權益及淡倉。

董事購入股份或債券之權利

除上文「董事於證券之權益」一節及下文「購股權計劃」一節所披露者外，於年內任何時間，任何董事或彼等各自之配偶或十八歲以下之子女概無獲授予任何可藉購入本公司或任何其他公司之股份或債券而獲益之權利，以上各人亦無行使任何該等權利，本公司或其任何附屬公司亦無參與訂立任何安排，以使董事、彼等之配偶或十八歲以下之子女取得有關任何其他公司之該等權利。

Save as disclosed above and in the section headed “SHARE OPTION SCHEME” below, as at 31 December 2003, none of the directors and chief executives of the Company had any interests in any securities and short positions of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such directors and chief executives of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections headed “DIRECTORS’ INTERESTS IN SECURITIES” above and “SHARE OPTION SCHEME” below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate 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, their spouse or children under 18 years of age to acquire such rights in any other body corporate.

購股權計劃

本公司設立一項購股權計劃（「該計劃」），以鼓勵對本集團之業務成果有所貢獻之合資格參與人士及作為對彼等之獎勵。該計劃之合資格參與人士包括本公司或其附屬公司之任何僱員或董事。該計劃由一九九四年四月十六日起生效，除非已遭撤銷或另作修訂，否則有效期由該日期起計十年，即至二零零四年四月十五日止。

現時獲准按該計劃授出之未行使購股權之數目，最多不得超過本公司不時已發行股份數目之10%。於二零零三年十二月三十一日，因按該計劃授出之購股權而可予發行之股份數目為231,000,000股（二零零二年：231,000,000股），佔本公司於該日期之已發行股份約2.1%（二零零二年：2.1%）。

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any employee or director of the Company or its subsidiaries. The Scheme became effective on 16 April 1994 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date, i.e. until 15 April 2004.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount not exceed, upon their exercise, 10% of the shares of the Company in issue from time to time. As at 31 December 2003, the number of shares issuable under the share options granted under the Scheme was 231,000,000 (2002: 231,000,000), representing approximately 2.1% (2002: 2.1%) of the Company's shares in issue at that date.

任何合資格參與人士按該計劃獲授之購股權總數，概不得超過按該計劃已發行及可予發行之股份總數之25%。

提呈授出之購股權可於提呈日期後二十八日內接納，惟承授人須以現金支付港幣1元之代價。授出之購股權之行使期由董事會決定，並於為期一個月之授權期以後開始，至購股權獲承授人接納後一個月起計之五週年或該計劃之期滿日（以較早者為準）結束。

根據該計劃，購股權之行使價由董事決定，惟不得低於：(i)本公司股份於緊接提呈日期前五個交易日在聯交所所報之平均收市價之80%之價格，或(ii)本公司股份之面值，以較高者為準。自二零零一年九月一日起，根據聯交所證券上市規則（「上市規則」）第17.03條之新規定，購股權之行使價不得低於(i)本公司股份於緊接提呈日期前五個交易日在聯交所所報之平均收市價，或(ii)本公司股份於提呈日期在聯交所所報之收市價，以較高者為準。

於本年報日期，根據該計劃可予發行之股份總數為863,711,162股，相等於當天本公司已發行股本約7.67%。

No eligible participant of the Scheme shall be granted an aggregate number of share options which exceed 25% of the aggregate number of shares issued and issuable under the Scheme.

The offer of a grant of share options may be accepted within 28 days from the date of the offer with a cash consideration of HK\$1 payable by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one month and ends on a date which is not later than five years from one month after the share options are accepted by the grantee or the expiry date of the Scheme, if earlier.

Under the Scheme, the exercise price of the share options is determinable by the directors, and shall not be less than the higher of (i) a price being not less than 80% of the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of offer; and (ii) the nominal value of the shares of the Company. Effective from 1 September 2001, in accordance with the new rule 17.03 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, the exercise price of the share options must not be less than the higher of (i) the average closing price of the Company's shares as quoted on the Stock Exchange for the five trading days immediately preceding the date of the offer; and (ii) the closing price of the Company's shares as quoted on the Stock Exchange at the date of the offer.

The total number of shares available for issue under the Scheme as at the date of this Annual Report is 863,711,162, representing approximately 7.67% of the issued share capital of the Company at that date.

根據該計劃，於本年度內尚未行使之購股權如下：

The following share options were outstanding under the Scheme during the year:

參與人士之 姓名及類別 Name and category of participant	購股權數目 Number of share options				於二零零三年 十二月 三十一日 As at 31 December 2003	購股權 授出日期* Date of grant of share options*	購股權 行使期 Exercise period of share options	本公司之股份價格*** Price of Company's shares***		
	於二零零三年 一月一日 As at 1 January 2003	年內授出 Granted during the year	年內行使 Exercised during the year	年內失效 Lapsed during the year				購股權 行使價** Exercise price of share options** 港幣元 HK\$	於購股權 授出日期 As at date of grant of share options 港幣元 HK\$	於購股權 行使日期 As at date of exercise of share options 港幣元 HK\$
董事 Directors										
李黑虎先生 Mr. Li Hei Hu	35,000,000	—	—	—	35,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
陳潮先生 Mr. Chen Chao	30,000,000	—	—	—	30,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
李景奇先生 Mr. Li Jing Qi	30,000,000	—	—	—	30,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
喬剛先生 Mr. Qiao Gang	15,000,000	—	—	—	15,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
孫玉麟先生 Mr. Sun Yu Lin	15,000,000	—	—	—	15,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
杜志強先生 Mr. To Chi Keung, Simon	15,000,000	—	—	—	15,000,000	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
黃傳奇先生 Mr. Huang Chuan Qi	15,000,000	—	—	—	15,000,000	二零零二年 七月十七日 17 July 2002	二零零二年 八月十八日至 二零零四年 四月十五日 18 August 2002 to 15 April 2004	0.336	0.315	不適用 N/A
	155,000,000	—	—	—	155,000,000					

參與人士之 姓名及類別 Name and category of participant	購股權數目 Number of share options				於二零零三年 十二月 三十一日 As at 31 December 2003	購股權 授出日期* Date of grant of share options*	購股權 行使期 Exercise period of share options	本公司之股份價格*** Price of Company's shares***		
	於二零零三年 一月一日 As at 1 January 2003	年內授出 Granted during the year	年內行使 Exercised during the year	年內失效 Lapsed during the year				購股權 行使價** Exercise price of share options** 港幣元 HK\$	於購股權 授出日期 As at date of grant of share options 港幣元 HK\$	於購股權 行使日期 As at date of exercise of share options 港幣元 HK\$
	其他僱員 Other employees									
合計 In aggregate	65,200,000	—	—	—	65,200,000	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日至 二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	不適用 N/A
	2,000,000	—	—	—	2,000,000	二零零一年 五月十八日 18 May 2001	二零零一年 六月十九日至 二零零四年 四月十五日 19 June 2001 to 15 April 2004	0.308	0.400	不適用 N/A
	4,300,000	—	—	—	4,300,000	二零零二年 二月五日 5 February 2002	二零零二年 三月六日至 二零零四年 四月十五日 6 March 2002 to 15 April 2004	0.310	0.300	不適用 N/A
	4,500,000	—	—	—	4,500,000	二零零二年 七月十七日 17 July 2002	二零零二年 八月十八日至 二零零四年 四月十五日 18 August 2002 to 15 April 2004	0.336	0.315	不適用 N/A
	76,000,000	—	—	—	76,000,000					
	231,000,000	—	—	—	231,000,000					

* 購股權之授權期為一個月。

** 如進行供股、發行紅股或本公司股本有任何類似之變動，購股權之行使價可予調整。

*** 所披露之購股權授出日期之本公司股份價格，為其於緊接購股權授出日期前之交易日於聯交所所報之收市價。而所披露之購股權行使日期之本公司股份價格，則為其於緊接所披露類別之購股權獲行使當日前一日之加權平均收市價。

* The vesting period of the share options is one month.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

*** The price of the Company's shares disclosed as at the date of the grant of the share options is the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average closing price of the shares immediately before the date on which the share options within the disclosure category were exercised.

該計劃之概要載於財務報表附註三十。

Summary details of the Scheme are also set out in note 30 to the financial statements.

直至購股權獲行使以前，所授出之購股權在財務方面之影響並未記錄在本公司或本集團之資產負債表中，而有關之成本亦不會記錄在損益表或資產負債表中。於購股權獲行使時，本公司將因而發行之股份按股份面值記錄為新增股本，而每股行使價超逾股份面值之款額，本公司將其記錄於股份溢價賬中。於行使日期前失效或作廢之購股權，將從尚未行使購股權登記冊中刪除。

董事認為不宜披露年內向僱員授出之購股權之理論價值，原因是本公司之普通股購股權並無實時之市值價格，故董事無法準確評估該等購股權之價值。

由於該計劃將於二零零四年四月十六日終止，董事會將提呈一項新購股權計劃予本公司股東於二零零四年四月三十日舉行的股東特別大會上審批，相關股東大會的通告已連同本年報一併寄發予股東。

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are lapsed or cancelled prior to their exercise dates are deleted from the register of outstanding share options.

The directors consider it inappropriate to disclose a theoretical value of the share options granted to employees during the year, because in the absence of a readily available market value for share options on the ordinary shares of the Company, the directors were unable to arrive at an accurate assessment of the value of the share options.

In view of the termination of the Scheme on 16 April 2004, the board of directors will propose to the shareholders of the Company for their approval of the adoption of a new share option scheme in the Special General Meeting to be held on 30 April 2004, notice of which had been despatched to the shareholders with this Annual Report.

主要股東

於二零零三年十二月三十一日，就本公司所知，以下股東（不包括董事或本公司之主要行政人員）擁有本公司之股份及相關股份之權益或持有有關之淡倉而按證券期貨條例第XV條第2及3分部之條文須向本公司披露，或直接或間接擁有附有各情況下均可在本公司之股東大會上行使投票權之任何類別股本面值5%或以上之權益，而各股東於有關證券之權益數額載列如下：

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, so far as is known to the Company, the following shareholders, other than directors or chief executives of the Company, had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and the amount of each of the shareholder's interest in such securities were as follows:

名稱 Name	身份 Capacity	所持 普通股數目 Number of ordinary shares held	股份總數 百分比 Percentage of total Number of shares
深圳市投資管理公司（「深圳投資」） — 附註(1) Shenzhen Investment Holding Corporation (“SIHC”) - Note (1)	受控制公司之權益 Interest of controlled corporations	4,963,684,042	44.25%
Ultrarich International Limited （“Ultrarich”）	實益擁有人 Beneficial owner	4,836,363,636	43.12%
李嘉誠—附註(2)及(3) Li Ka Shing - Notes (2)&(3)	全權信託之成立人 及受控制公司之權益 Founder of Discretionary trusts and interest of controlled corporations	803,485,000	7.16%
Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) — 附註(2)及(3) - Notes (2)&(3)	信託人及信託受益人 Trustee and beneficiary of a trust	803,485,000	7.16%

名稱 Name	身份 Capacity	所持 普通股數目 Number of ordinary shares held	股份總數 百分比 Percentage of total Number of shares
Li Ka-Shing Unity Trustcorp Limited (“TDT2”) – 附註 (2) 及 (3) – Notes (2)&(3)	信託人及信託受益人 Trustee and beneficiary of a trust	803,485,000	7.16%
Li Ka-Shing Unity Trustee Company Limited (“TUT1”) – 附註 (2) 及 (3) – Notes (2)&(3)	信託人 Trustee	803,485,000	7.16%
長江實業（集團）有限公司（「長實」） – 附註 (2) 及 (3) – Notes (2)&(3) Cheung Kong (Holdings) Limited (“CKH”) – Notes (2)&(3)	受控制公司之權益 Interest of controlled corporations	803,485,000	7.16%

附註：

Notes:

(1) Ultrarich為深圳投資之全資附屬公司，故深圳投資被視作擁有上文所披露Ultrarich 持有之4,836,363,636股股份。深圳投資擁有之其餘股份權益乃由深圳投資另一全資附屬公司擁有。除4,963,684,042股股份外，深圳投資並持有本公司之可換股票據，如深圳投資悉數行使有關之換股權，可轉換為904,109,589股本公司股份。

(1) Ultrarich is a wholly-owned subsidiary of SIHC and accordingly SIHC was deemed to be interested in the 4,836,363,636 shares owned by Ultrarich as disclosed above. The balance of the shares in which SIHC was interested, were owned by another wholly-owned subsidiary of SIHC. Apart from the 4,963,684,042 shares in the Company, SIHC also holds a convertible note which will be converted into 904,109,589 shares in the Company if SIHC exercises the right of conversion in full.

(2) 該等本公司之股份包括：

(2) Such shares in the Company comprise:

(a) 由Starcom Venture Limited（「Starcom」）持有之266,835,000股股份，而Starcom為長實全資擁有之附屬公司Cheung Kong Investment Company Limited之全資附屬公司；及

(a) The 266,835,000 shares held by Starcom Venture Limited (“Starcom”), a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH; and

- (b) 由 Campsie Developments Limited (「Campsie」) 持有之 536,650,000 股股份，而 Campsie 為和記黃埔有限公司 (「和黃」) 全資擁有之附屬公司 Hutchison International Limited 之全資附屬公司。
- (b) The 536,650,000 shares held by Campsie Developments Limited (‘‘Campsie’’), a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited (‘‘HWL’’).
- (3) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有 Li Ka-Shing Unity Holdings Limited (「Unity Holdings」) 三分之一已發行股本，而該公司則擁有 TUT1 之全部已發行股本。TUT1 以 The Li Ka-Shing Unity Trust (「UT1」) 信託人之身份，連同若干公司合共持有長實三分之一以上之已發行股本，而 TUT1 以 UT1 信託人之身份有權在該等公司之股東大會上行使或控制行使三分之一以上之投票權。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。
- (3) Li Ka-Shing Unity Holdings Limited (‘‘Unity Holdings’’), of which each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of TUT1. TUT1 as trustee of The Li Ka-Shing Unity Trust (‘‘UT1’’), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH. Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

此外，Unity Holdings 亦擁有 TDT1 (The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人) 以及 TDT2 (另一項全權信託 (「DT2」) 之信託人) 之全都已發行股本。TDT1 及 TDT2 均持有 UT1 之信託單位。

In addition, Unity Holdings also owns the entire issued share capital of TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust (‘‘DT1’’) and TDT2 as trustee of another discretionary trust (‘‘DT2’’). Each of TDT1 and TDT2 holds units in UT1.

根據證券期貨條例，李嘉誠先生 (身為財產授予人以及就證券期貨條例而言可能被視為 DT1 及 DT2 之成立人)、TDT1、TDT2、TUT1 及長實均被視為擁有由 Starcom 及 Campsie 所持有之合共 803,485,000 股本公司股份之權益。

By virtue of the SFO, each of Mr. Li Ka-Shing (being the settlor and may being regarded as a founder of DT1 and DT2 for the purpose of the SFO), TDT1, TDT2, TUT1 and CKH was deemed to be interested in the aggregate 803,485,000 shares of the Company held by Starcom and Campsie.

除上文披露者外，於二零零三年十二月三十一日，就本公司所知，並無任何其他股東擁有本公司股份及相關股份之權益或持有有關之淡倉而按證券期貨條例第 XV 部第 2 及 3 分部之條文須向本公司披露，亦無任何其他股東直接或間接擁有附有在各情況下均可在本公司之股東大會上行使投票權之任何類別股本面值 5% 或以上之權益。

Save as disclosed above, as at 31 December 2003, the Company is not aware of any other shareholders who had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

關連人士交易及關連交易

本集團之重大關連人士交易且構成上市規則之關連交易之詳情載於財務報表附註三十六。

結算日後事項

本集團結算日後並無重大事項發生。

最佳應用守則

各董事認為，本公司於本年報之有關會計期間內均一直遵守上市規則附錄十四所載之最佳應用守則（「該守則」）之規定。然而，本公司之非執行董事及獨立非執行董事並無根據該守則第七段之要求，按指定之任期委任，惟根據本公司之公司細則，彼等須於本公司之股東週年大會上輪值退任及膺選連任。

審核委員會

本公司之審核委員會於一九九五年成立。於制定及採納審核委員會之職權範圍書時，董事已參照香港會計師公會頒佈之「成立審核委員會指引」。

審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會亦負責審核及監察集團的財務匯報及檢討公司外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由三位獨立非執行董事組成，成員包括梁銘源先生（主席）、王獻平先生及丁迅先生。委員會於本財政年度內已召開兩次會議。

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of significant related party transactions of the Group, which also constitute connected transactions under the Listing Rules, are set out in note 36 to the financial statements.

POST BALANCE SHEET EVENTS

The Group has no significant post balance sheet event.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the financial year of this Annual Report, except that the non-executive directors and the independent non-executive directors of the Company were not appointed for specific terms as required under paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

The Company established the Audit Committee in 1995. In establishing and adopting the terms of reference of the Audit Committee, the directors have had regard to the "Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants.

The Audit Committee performs the key link between the board of directors and the auditors of the Company in respect of the audit works of the Group. The Audit Committee is also responsible for the review and supervision of the financial reporting of the Group as well as the review of the efficiency of the external audit works, internal control and risk evaluation of the Company. The Audit Committee comprises three independent non-executive directors, namely Mr. Leung Ming Yuen, Simon (Chairman), Mr. Wang Xian Ping and Mr. Ding Xun. Two Audit Committee meetings were held during this financial year.

薪酬委員會及提名委員會

為進一步加強本集團的內部監控制度及持續提升本集團的企業管治水平，以確保集團資產能有效運用及增值，使股東的利益得到更佳保障，董事會已於二零零三年十二月分別成立了薪酬委員會及提名委員會。

薪酬委員會的主要職能為設立正規而透明的程序及政策，以制定董事的薪酬；而提名委員會的職能則為確保本公司委任合適的董事及使董事連任的程序更具透明度。兩個委員會的成員相同，均由兩位獨立董事及一位執行董事組成，成員包括丁迅先生(主席)、梁銘源先生及李景奇先生。兩個委員會均已正式啟動相關工作。

核數師

安永會計師事務所在本公司於二零零二年五月二十四日舉行之股東週年大會上任滿告退，而羅兵咸永道會計師事務所於當日獲委任為本公司之核數師。除上文所述者外，本公司於過去三年內並無更換核數師。在即將舉行之股東週年大會上，羅兵咸永道會計師事務所將會依章告退，而本公司將提呈決議案，續聘羅兵咸永道會計師事務所為本公司之核數師。

承董事會命

主席
李黑虎

香港，二零零四年三月二十六日

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

To further strengthen the internal control system and continuously improve the standard of corporate governance of the Group so as to ensure an efficient deployment and added value of the Group's assets, thereby provide comprehensive protection to shareholders' interests, the board of directors established the Remuneration Committee and the Nomination Committee in December 2003 respectively.

The Remuneration Committee is responsible for the formulation of formal and transparent procedures and policies for the determination of directors' remuneration. The Nomination Committee is responsible for the appointment of suitable candidates as directors of the Company and to ensure the transparency of the re-election procedure of directors. The two committees comprise the same members (two independent non-executive directors and an executive director), namely, Mr. Ding Xun (Chairman), Mr. Leung Ming Yuen, Simon and Mr. Li Jing Qi. Both committees have duly commenced their work.

AUDITORS

Messrs. Ernst & Young retired and Messrs. PricewaterhouseCoopers were appointed as the auditors of the Company at the annual general meeting of the Company held on 24 May 2002. Save as disclosed above, there have been no changes of the auditors of the Company during the past three years. Messrs. PricewaterhouseCoopers will retire and a resolution for their re-appointment as the auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Li Hei Hu
Chairman

Hong Kong, 26 March 2004