

## REVIEW OF RESULTS

The turnover for the year ended 31 December 2003 increased by 182% to HK\$512.3 million (2002: HK\$181.9 million). Direct operating expenses increased by 326% to HK\$363.3 million (2002: HK\$85.4 million). The increase in turnover and direct operating expense was mainly due to the HK\$314.5 million increase in listed securities trading activities. The increase in trading activities, in turn, was mainly resulted from the subsequent sales of 55.0 million H share of Jiangxi Copper Company Limited ("JCC") transferred internally from an associate at a price of HK\$2.625 each. And the increase in trading activities of other listed securities in view of the prevailing low deposit rates environment. These increased securities trading activities accounted for an increase of approximately HK\$38.2 million in profit.

Net profits for the year increased by 99% to HK\$182.8 million (2002: HK\$91.9 million) which increase was, in addition to the above reason, attributable to the consolidated effects of the movements in major income and expenditure items as discussed below.

Factors attributable to net profit growth were:

Finance cost decreased significantly as a result of the repayment of approximately HK\$420.0 million convertible bond in August 2002 which borne an effective interest rate of approximately 8% p.a. (coupon interest plus redemption premium). The Group also repaid a large amount of borrowings in the second half year of 2003, which has further reduced the finance cost.

Profit contribution from associated companies increased by HK\$70.6 million or 79% which was attributable to the increase in the share of result from JCC of approximately HK\$10.7 million and the gains on the disposal of the JCC H shares of approximately HK\$47.1 million. Profit contribution from CII Limited ("CII") was also increased by approximately HK\$5.6 million.

## 業績回顧

截至二零零三年十二月三十一日止之營業額錄得182%至512,300,000港元(二零零二年: 181,900,000港元)。直接經營費用增加326%至363,300,000港元(二零零二年: 85,400,000港元)。營業額及直接經營費用增加主要為證券投資活動增加314,500,000港元所致。而證券投資活動增加主要為其後出售經由一聯營公司以每股2.625港元價格通過內部轉讓方式購入的55,000,000股江西銅業股份有限公司(「江西銅業」)H股所致, 以及於當前低存款利率環境下增加其他上市證券的投資活動所致。該等證券投資活動貢獻溢利增長約38,200,000港元。

年內溢利增長99%至182,800,000港元(二零零二年: 91,900,000港元), 有關增長(計及上文所述原因)乃由下述主要收益及費用項目的變動的綜合影響所致。

促使溢利增長的因素為:

財務費用顯著減少, 原因為於二零零二年八月償還有效年利率約8%(票面利息加上贖回溢價)約420,000,000港元可換股債所致。此外本集團亦於二零零三年下半年大額償還借貸從而達到進一步減少利息成本。

聯營公司的溢利貢獻增加70,600,000港元或79%, 原因為攤佔江西銅業業績錄得約10,700,000港元增長及出售江西銅業H股獲得約47,100,000港元所致。中基建設投資有限公司(「中基」)的溢利貢獻亦錄得約5,600,000港元增長。

Factors lead to decrease in net profit were:

Other operating income decreased by approximately HK\$26.5 million, which was mainly due to two one-time income in the previous year. The first one was interest income of approximately HK\$12.8 million from the Haiyun Warehouse project and the other was approximately HK\$14.7 million gain on disposal of investment properties.

The increase in administrative expenses was a direct result of the increase in overhead expenses, particularly staff costs, incurred for the expansion of the PRC properties investment and properties management businesses.

The Group recorded a one-time gain on the disposal of the entire interest SilverNet Group Limited of approximately HK\$26.8 million in last year.

## BUSINESS REVIEW AND PROSPECT

### PRC Property Investment

During the year, East Gate Plaza continued to contribute stable rental income to the Group. Gross rental income before expenses of East Gate Plaza for the year amounted to HK\$77.1 million (2002: HK\$71.5 million). East Gate Plaza has contributed net profit after tax in the sum of HK\$50.4 million (2002: HK\$49.0 million) to the Group. The rental income for lease of property in the Beijing Municipal has experienced considerable pressure due to increase in supply. However, in the second ring road district, the supply of service apartments of the same grade having sound management quality as that of East Gate Plaza is still limited. Competition is relatively less intense at present. The Directors has confidence to sustain the current rental level at the current occupancy rate. The Directors expect that property prices and rental levels will rise steadily in the coming years as it approaches the 2008 Beijing Olympic Games.

導致溢利減少的主要因素為：

其他收益減少約26,500,000港元，原因為前年度有兩項一次性收入所致。第一項為海運倉項目錄得利息收入約12,800,000港元而另一項為出售投資物業錄得收益約14,700,000港元。

行政支出增加的直接原因為因擴展中國物業投資及物業管理兩項業務而需要而增加的經營支出（尤其是員工成本）所致。

本集團在前年度因出售銀網集團有限公司全部權益錄得一次性收益約26,800,000港元。

### 業務回顧及前景

#### 中國房地產投資

年內東環廣場繼續為本集團貢獻穩定租金收入。本年度租金收入毛總額約77,100,000港元（二零零二年：71,500,000港元）；東環廣場為本集團貢獻的除稅後溢利50,400,000港元（二零零二年：49,000,000港元）。由於供應增加，北京市之物業租賃的租金面對一定程度的壓力；但是，在二環路一帶，與東環廣場同等級並擁有良好管理質量的服務式住宅之供應仍然有限。目前的競爭仍然維持於相對低水平。董事會有信心保持目前的租金水平及出租率。董事會預期物業價格以及租金水平將於邁向二零零八年北京奧運會的未來數年可穩步上升。

The demolition works and clearance of the 1,500,000 square feet Wangjing redevelopment project was completed. The construction works are progressing smoothly. It is expected that the Wangjing project will bring in return to the Group in this year.

Regarding new project, the Group invested in a property development project in the Tiexi district of Shenyang Municipal at the end of 2003. As at the balance sheet date, the Group paid approximately HK\$54.6 million, partly as capital contribution and partly as deposit, in respect of the project. Construction works have commenced and pre-sales of the property are expected to commence by the end of 2004 or in early 2005. The "Siheyuan" development is at the planning and implement phases.

By effectively utilizing the three systems of quality control, environment control and safety control, Beijing Yinda Property Management Limited ("Yinda") successfully established itself as one of the top ten property managers in the Beijing Municipal. Yinda obtained the ISO9001 and ISO14001 certification acknowledging its modernized management system and quality of services. The number of properties currently under the management of Yinda is 21 covering a total floor area of approximately 17.1 million square feet. However, profit contribution from Yinda is still relatively small for the reason that Yinda is in its rapid expansion stage where its indirect expenditure such as staffing costs, training cost and business expansion costs, is relatively high which, in turn, affected the net return from Yinda. During the year, Yinda recorded a gross turnover of HK\$72.9 million (2002: HK\$61.0 million) with gross profit of HK\$24.9 million (2002: HK\$20.3 million) and net profit of approximately HK\$2.7 million (2002: HK\$3.0 million). The gross profit margin and net profit margin of Yinda are 34% (2002: 33%) and 4% (2002: 5%) respectively.

望京1,500,000平方呎重建項目的拆遷及平整工程已經完成，工程進展順利，預期望京項目今年會為本集團帶來回報。

新項目方面，本集團於二零零三年末在沈陽市鐵西區投資一房地產發展項目。於結算日，本集團就該項目已支付約54,600,000港元，部份作為註冊資本投入，部份作為定金。建築工程已展開，預期物業的預售可於二零零四年底或二零零五年初展開。北京四合院項目已進入研發階段。

透過有效地運用質量、環境及安全三個管理系統，北京銀達物業管理有限公司（「銀達」）成功創建自己成為北京市十大物業管理人之公司。銀達已取得ISO9001及ISO14001認證以彰顯其現代化管理制度及優良服務。目前經由銀達管理的項目為21個，樓面面積合共達1,710萬平方呎。然而，所貢獻的溢利仍然相對較少，原因是由於銀達正處於急速擴張期，間接的行政管理費用如員工成本及培訓支出及業務開拓支出等相對較大，因而影響了銀達之淨回報。年內，銀達錄得營業額毛額72,900,000港元（二零零二年：61,000,000港元）、產生毛利24,900,000港元（二零零二年：20,300,000港元）及稅後溢利2,700,000港元（二零零二年：3,000,000港元）。銀達的毛利率及淨利率分別為34%（二零零二年：33%）及4%（二零零二年：5%）。

The Group has also established an equity joint venture namely Beijing East Bay Investment Consultants Limited ("East Bay") with the US based RE/MAX 東灣集團 to participate, principally, in the businesses of property agency and sales. The businesses of East Bay are progressing smoothly.

The Directors maintain the strategy of vertically integrating the businesses of property development, sales, management, leasing, agency and consultancy to extend service coverage and enhance coordination between various sectors for the sake of efficiency and effectiveness. The Group will strike a balance expansion amongst these businesses.

### Infra-structure Investment

Net profit contribution from CII remains stable. During the year, the Group shared HK\$87.3 million (2002: HK\$81.7 million) profits from CII.

The current strategy of CII is to reorganize its project investment portfolio to focus on infrastructure projects in major cities and to hold controlling interest in each individual project. To implement this strategic move, CII further disposed of two toll roads namely the Qiong-Ming project and the Cheng-Wen-Qiong project and realized gains of approximately HK\$53.3 million in aggregate. Negotiations to dispose of the Zhaoqing Bridge project are at the final stage. CII is also negotiating with the local government of Wuhan Municipal to dispose of the Wuhan Bridge project. CII expects that the negotiations to dispose of the Wuhan Bridge project will reach an agreement soon. CII is currently holding 7 projects amongst which the Taian Natural Gas Pipeline project is one of the investments falling under the new strategy and is progressing smoothly.

本集團同時與美國RE/MAX東灣集團合資成立北京東灣投資顧問有限公司（「東灣」）以從事物業代理及銷售業務為主。東灣的業務進展順利。

董事會維持垂直整合物業開發、銷售、管理、租賃、代理及顧問的策略以擴大服務的覆蓋面及加強各個不同環節的協調從而達致提高效率及效益。本集團將致力平衡擴充此等業務。

### 基建投資

中基的純利貢獻維持平穩。年內，本集團攤佔中基稅後溢利87,300,000港元（二零零二年：81,700,000港元）。

中基目前的策略是重組項目投資組合以專注於投資大城市內的基礎設施項目並且於每個項目中持有控制性股權。配合此項策略性調動，中基於年內已額外出售邛名項目及成溫邛項目兩個收費公路並且實現總額約達53,300,000港元收益。出售肇慶大橋之磋商已經進入最後階段。中基同時正與武漢市政府有關當局磋商出售武漢大橋項目。中基預期出售武漢大橋項目的磋商即將達成協議。中基目前持有七個項目其中泰安天然氣管道項目為根據新策略所作的投資並且進展順利。

The net asset values of the 7 projects as at 31 December 2003 are:

該七個項目於二零零三年十二月三十一日之資產淨值為：

## Projects

## 項目

於目前，中基正積極考核若干包括天然

## Net Asset Value ( HK\$' m)

## 資產淨值(百萬港元)

Luohe Highway	漯河沙河大橋	51.8
Wangdian Bridge	王店立交橋	113.8
Jiangxi 320 State-road	江西320國道	246.2
Zhaoqing Bridge	肇慶西江大橋	189.6
Wuhan Bridge	武漢白沙州大橋	454.6
Henan Zhoukou	周口311國道	102.0
Taian Nature Gas Pipeline	泰安天然氣管道	85.2
		1,243.2

At present, CII is actively considering a number of new projects such as nature gas, power plant, water plant and waste treatment and will select those with good potential to invest.

氣、電廠、水廠及廢物處理等新項目並擇其優者投資。

## Investment in Listed Securities

## 上市股份投資

The Group shared HK\$25.0 million (2002: HK\$14.3 million) profits from the associated company JCC up to 19 August 2003, which is the date immediately before the Group ceased to account for JCC as an associated company.

本集團攤佔自聯營公司江西銅業25,000,000港元稅後溢利(二零零二年：14,300,000港元)(截至二零零三年八月十九日緊接本集團停止以聯營公司形式列賬處理江西銅業之當日止)。

Due to change in development strategy, the Group disposed of its entire interest in JCC and realized approximately HK\$500.0 million working capital in aggregate. The disposal of the JCC shares also generated gains of approximately HK\$47.1 million to the Group, the return is good.

因應發展策略的改變，本集團已出售其於江西銅業的全部權益並套現回籠總額約500,000,000港元營運資金。出售江西銅業同時為本集團實現約47,100,000港元收益，回報理想。

The Directors are considering the feasibility of investing in the automotive project in Nanjing and the cement project in Beijing respectively.

董事會現正考慮分別於南京及北京投資汽車業務及水泥業務的可行性。

## Explore Financial Investments

Having considered that the China market is still the World's focus and the Directors believing that China can sustain its current economic growth for a number of years ahead, the Group is keen to explore financial investments both in Hong Kong and in China.

The Group has commenced to participate in the business of dealing in/disposing of non-performing assets ("NPA") of the State-owned Asset Management Corporations ("SAMCs") through the provision of proposals concerning acquisition, merger and restructuring.

On 3 February 2004, the Group formally entered into a letter of intent with one of the four SAMCs namely China Cinda Asset Management Corporation ("China Cinda") to assist China Cinda to dispose of up to HK\$5.0 billion worth of NPA for a period of two years up to 3 February 2006. Pursuant to the letter of intent, the Group has entered into an agreement with the China Cinda group to dispose of approximately HK\$2.0 billion worth of NPA located principally in Macau (the "Macau Assets"). Upon successful disposal of the Macau Assets, the Group is entitled to receive a commission income calculated at 3.5%. If the proceeds realized from the disposal of the Macau Assets exceeds HK\$480.0 million, the Group is further entitled to a performance bonus equal to 80% of the amount in excess of HK\$480.0 million. Having taken into consideration the currently booming real estate market in Macau and by reference to certain economic developments in Macau, the Directors have confidence in completing the disposal of the Macau Assets on or before the first quarter of 2005. The Directors also have confidence that the cash recoverable will not be less than HK\$480.0 million. In this regard, the Directors expect to recognize commission income of approximately HK\$70.0 million plus certain amount of performance bonus.

## 開拓金融投資

中國市場仍然是世界的焦點，而董事會相信於未來數年，中國可保持其目前的經濟增長，本集團將致力於香港及中國開拓金融投資。

本集團已透過提供收購、兼併及重組等相關建議，開始參與從事國有資產管理公司（「資產管理公司」）的不良資產（「不良資產」）處理業務。

於結算日後，本集團與四家資產管理公司之一的信達資產管理公司（「中國信達」）正式簽署意向書以協助中國信達於截至二零零六年二月三日止之兩年內處置總額達50億港元的不良資產。根據該意向書，本集團與中國信達集團已簽署協議為處置主要位於澳門、總額約20億港元的不良資產（「澳門資產」）。在成功處置澳門資產後，本集團將有權收取按3.5%計算的佣金收入。如處置澳門資產所變現回收的總金額超出480,000,000港元，本集團將額外有權收取超出480,000,000港元部份的80%作為超收分紅。經考慮目前蓬勃的澳門房地產市場及參考澳門若干經濟發展，董事會有信心於2005年第一季度或以前完成處置澳門資產。董事會同時有信心回收的金額將不會低於480,000,000港元。因此，董事會預期可實現約70,000,000港元佣金收益及若干金額的超收分成。

The Directors are currently conducting negotiations with other SAMCs for businesses of similar nature. Having considered the track records of good performance in financial investments and the expertise of the Directors, the Directors have confidence to solicit more NPA dealing/disposal businesses. The Directors also expect that the asset dealing/disposal business will be the principal source of rapid growth for the Group in the future.

Immediately after the balance sheet date, there were also significant changes in the shareholding structure of the Company. China Cinda has increased its shareholding by acquiring 178,000,000 shares and became the single largest shareholder of the Company. At present, China Cinda holds 353,768,000 shares in the Company, representing approximately 22.9% of the total issued share capital of the Company.

China Cinda was formally established in Beijing on 20 April 1999 after approval by the State Council and the People's Bank of China and registration at the State Industry and Commerce Administrative Bureau. China Cinda has registered capital of RMB10.0 billion, fully paid up by the Ministry of Finance. The mission of China Cinda is to manage and dispose of the NPA stripped off from the banking sector. China Cinda is currently holding NPA amounting to approximately RMB400 billion.

China Cinda, being a shareholder of the Company, has indicated that it will give its full support for the development of the Company.

The Directors are aiming at the RMB400 billion worth NPA of China Cinda with a view to solicit more NPA dealing/disposal businesses from China Cinda to capitalize the Company's 10 years' proven experience in direct investments and capital market operations. Preliminarily, the Directors have intention to utilize the Company as a vehicle to create a new way of NPA dealing/disposal. The targeted NPA categories include equity interests and debts interests in automotive and parts, mining resources and real estate. In the course of dealing in or disposal of NPA,

董事會目前正與其他資產管理公司磋商類似性質的業務。經考慮董事會的專業以及其過去於金融投資領域卓越的成功記錄，董事會有信心尋得更多的不良資產處置業務。董事會預期資產處置業務將會成為本集團未來快速增長的主要來源。

在緊接資產負債表日之後，本公司的股東結構發生重大變化。中國信達通過增持178,000,000股本公司股份成為本公司單一最大股東。目前，中國信達持有353,768,000股本公司股份，折合佔本公司已發行股本約22.9%。

中國信達為經國務院以及中國人民銀行批准，並經國家工商行政管理局注冊登記，於一九九九年四月二十日在北京正式成立。中國信達注冊資本金100億人民幣，由財政部全額撥入。中國信達的主要任務為管理及處置銀行剝離的不良資產。中國信達現持有不良資產總額超過4,000億人民幣。

中國信達作為本公司的股東，已明確表示將就本公司的發展給予全力支持。

董事會認為本集團將以中國信達擁有的4,000億人民幣不良資產為依托，利用本公司過往十年於直接投資及資本市場運作的成功經驗取得更多不良資產處置業務。初步構思以本公司為載體，開創不良資產處理新途徑。目標不良資產範疇包括汽車及零部件行業、資源行業及房地產行業等。

the Group may, on a project by project basis, be contracted as an agent or an adviser to China Cinda or even as the principal to acquire the NPA. The benefit is for the Group to receive commission income, performance bonus, consultancy fee and gains on acquisition-disposal of NPA as the case may be. The Company will also consider making direct investments in those NPA with potential for a separate listing and to hold such investment for a medium to long term for greater returns.

### Future Prospects and Strategy

Looking back at the first quarter of 2004, the Hong Kong, the PRC and the World markets are gradually recovering. Particularly in Hong Kong and the PRC, the confidence to make investments is obviously strong. The Directors are of the opinion that the economy can keep growing faster and stronger, which will bring stable and continuing growth to the core businesses of the Group.

Strategically, the Directors will endeavour to continue the newly established NPA dealing/disposal business and to take advantage of the opportunity of economic recovery to expand both the quality and quantity of the NPA dealing/disposal business so as to maximize the returns to our shareholders. In medium term, the Directors wish to achieve the target of making the NPA dealing/disposal business contributing to one-third of the Group's net profit and endeavour to raise the contribution to one-half or more in long term.

### FINANCIAL REVIEW

#### Exchange Exposure

The Group's principal assets, liabilities, income and expenditures are denominated in Hong Kong dollars and Renminbi. The Directors are of the opinion that the exchange exposure from fluctuations in exchange rates is limited. It is the Group's policy not to engage in speculative activities other than making suitable arrangements for hedging purposes.

於處理及／或處置不良資產的過程中，本集團將會視個別項目而定，約定作為代理、中國信達之顧問或甚至以投資者身份購入有關不良資產。視個別情況本集團的獲利方式為可收取佣金收入、超收分成、顧問費及買賣不良資產的差價，本公司亦會考慮直接投資具有獨立上市潛力的資產，並以中、長期方式持有以期獲得更豐厚回報。

#### 未來的展望及策略

展望2004年首季，香港、中國以及全球市場正逐步復甦。尤其是香港及中國，投資信心明顯增強，董事預期經濟將可進一步錄得強勁增長並帶動本集團核心業務在穩定中繼續發展擴充。

策略上，董事將致力延續剛於二零零四年初展開的不良資產處理／處置業務，並把握經濟復甦的機遇增大不良資產處理／處置的質與量，以為本公司股東締造更大回報。董事希望於中期內，做到不良資產處置業務能為本集團貢獻三成盈利；並致力提高其盈利貢獻至五成或更多。

### 財務回顧

#### 外匯風險及對沖

本集團的主要資產、負債、收入及支出以港元及人民幣為主。董事會意見認為由匯率變動所引致的匯兌風險只屬有限。本集團的政策為除因應對沖目的需要作出適當的安排外，不會從事任何投機活動。



### Liquidity and Borrowings

As at 31 December 2003, the Group has total borrowings of HK\$671.0 million which is 31% less than that of last year. The net borrowing of the Group was HK\$355.7 million as at the year end date. The gearing ratio of the Group as at the year-end date, calculated as net borrowings over net assets, was 16%, which is significantly lower than that of last year. The total borrowings consisted of HK\$661.8 million short term loan and HK\$9.2 million long term mortgage loan. As at year end date, the applicable interest rate in respect of the short term borrowing ranged from 1.0% p.a. to 7.5% p.a. amongst which the interest rate for a principal amount of HK\$5.1 million borrowings was fixed at 7.5% p.a.. The interest of remaining borrowings was charged at floating interest rates. The interest of long term borrowings were charged at floating interest rate and the applicable interest rate as at year end date was 2.625% p.a..

As at 31 December 2003, the total current liabilities of the Group was HK\$1,437.0 million which included HK\$510.3 million was amount payable to associated companies. After netting off the amount payable to associated companies with the cost of investment for the same associated companies, the total amount of current liabilities amounted to HK\$926.7 million, which resulted in a current ratio (the ratio of current assets over current liabilities) of 0.44.

As at 31 December 2003, the Group has HK\$1,827.2 million of pledged assets to secure general banking facilities granted to the Group.

As at 31 December 2003, bank balances and cash of the Group was HK\$315.3 million. In addition, standby credit of the Group as at the year end date was approximately HK\$76.0 million. Furthermore, the Group did not have material capital commitment. Taking into account the amount of approximately HK\$316.8 million raised from the issue of new shares after the year end date, the Group currently has cash balance in excess of HK\$600.0 million.

### 營運資金及借貸

於二零零三年十二月三十一日，本集團的借貸總額為671,000,000港元，較去年減少31%；本集團的借貸淨額為355,700,000港元。於年底，本集團的負債比率（按借貸淨額除資產淨值計算）為16%，較去年顯著降低。借貸總額由661,800,000港元的短期借款及9,200,000港元長期的按揭貸款組成。於年結日，短期借款於年結日適用的年利率介乎1.0%至7.5%，其中有本金金額約5,100,000港元借款之利率固定於7.5%，其餘借款均按浮動利率計息；長期借款按浮動利率計息，於年結日之適用年利率為2.625%

於二零零三年十二月三十一日，本集團的總流負債為1,437,000,000港元；其中包括總額510,300,000港元為應付聯營公司款項，經於聯營公司權益中調整扣除相關的應付聯營公司款項後，流動負債總額實為926,700,000港元。據此計算的流動比率（流動資產與流動負債的比例）為0.44。

於二零零三年十二月三十一日，本集團有1,827,200,000港元的質押資產，作為本集團所獲授一般銀行備用額的抵押。

於二零零三年十二月三十一日，本集團之現金及銀行存款約為315,300,000港元；另外，於年結日本集團有可動用之銀行備用信貸額度約76,000,000港元。此外，本集團並無任何重大的資本性開支承擔。加上本集團於年結後發行新股所籌集約316,800,000港元資金，目前本集團手頭資金超逾600,000,000港元。

In the opinion of the Directors, the working capital of the Group is adequate for daily operations. As a whole, the liquidity of the Group is healthy and stable.

### Capital Structure

As at 31 December 2003, the shareholder's fund of the Group was HK\$2,239.0 million, representing an increase of HK\$152.3 million or 7% compared to that of last year. The return on capital is approximately 8% (calculated as net profit for the year over shareholder's fund). During the year HK\$39.4 million was paid to shareholders of the Company as final dividend for the year 2002.

### Human resources

As at 31 December 2003, the Group employed approximately 1,414 employees in Hong Kong and the PRC. The remuneration terms of Hong Kong employees were determined by reference to market conditions and at competitive level while the PRC employees were employed in accordance with the relevant labour laws. Year-end bonus and share options are granted to certain employees based on individual performance. The Directors believe that this will enable the Group to attract and retain quality employees and at the same time motivates the employees to achieve their best performance. Total staff costs including directors' fee for the year amounted to approximately HK\$51.4 million.

Retirement protections for Hong Kong employees are secured by implementing the MPF scheme. Retirement protections for PRC employees are secured by joining the State managed retirement benefit scheme while the Group makes contributions to the scheme in accordance with the relevant laws. Total retirement benefit cost for the year amounted to approximately HK\$2.1 million.

董事會認為，本集團的營運資金足夠應付日常運作的需要，整體而言，本集團的流動資金為穩健良好。

### 資本結構

於二零零三年十二月三十一日，本集團有股東資金2,239,000,000港元，較去年增加151,500,000港元，升幅為7%。股本匯報率約為8%（按年內溢利除股東資金計算）。年內，本集團已向其股東派付二零零二年度的末期股息，為數39,400,000港元。

### 人力資源

於二零零三年十二月三十一日，本集團在香港及中國共聘用約1,414位員工。香港員工的聘用條件乃訂於市場具有競爭性的水平；中國員工則按照適用的勞工法聘用。年終花紅及購股權將會按若干員工的個別表現發放。本集團相信此舉有助本集團吸引高質素員工加盟和留任，並鼓勵員工發揮最佳表現。年內員工費用支出總額約為51,400,000港元。

香港僱員的退休保障通過執行強制性公積金計劃達到。中國員工的退休保障則通過參加由國家管理的退休福利計劃並根據有關法規由本集團作出供款達到。年內退休保障支出總額約為2,100,000港元。

## Contingent liabilities

As at 31 December 2003, the Group has provided a guarantee in respect of a bank loan granted to a wholly owned subsidiary of an associate amounting to approximately HK\$233.6 million (2002: HK\$233.6 million) to the extent of 52% (2002: 52%) of the loan balance. The amount of the bank loan outstanding at the balance sheet date amounted to approximately HK\$168.0 million (2002: HK\$197.4 million)

The Company also guaranteed the issue of US\$115 million convertible bonds issued by a wholly owned subsidiary. The principal amount of the convertible bond outstanding at the year-end date was US\$0.2 million.

## FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK\$0.04 (2002: HK\$0.03) per share for the year ended 31 December 2003. Subject to shareholders' approval with regard to the proposed payment of the final dividend at the forthcoming Annual General Meeting to be held on Thursday, 20 May 2004. The proposed dividend is expected to be paid on Thursday, 27 May 2004.

On behalf of the Board

**Zhu Dengshan**

*Chairman*

Hong Kong, 15 April 2004

## 或然負債

本集團就授予一聯營公司的全資附屬公司約233,600,000港元(二零零二年: 233,600,000港元)銀行貸款作出該貸款最多52%(二零零二年: 52%)份額的擔保。有關貸款於二零零三年十二月三十一日的結餘約為168,000,000港元(二零零二年: 197,400,000港元)。

本公司亦就一全資附屬公司所發行的可115,000,000美元換股債券作出擔保。有關可換股債券於年結日的未償還本金為200,000美元(二零零二年: 200,000美元)。

## 末期股息

董事會建議宣佈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4港仙(二零零二年: 3港仙)。如上述建議之股息於二零零四年五月二十日(星期四)舉行的股東週年大會上獲股東批准, 該等股息預期於二零零四年五月二十七日(星期四)派發予股東。

承董事會命

**朱登山**

*主席*

香港, 二零零四年四月十五日