

Report of the Directors

本公司董事會（「董事會」）謹將截至二零零三年十二月三十一日止年度之年報連同經審核之財務報表一併呈覽。

主要業務

本公司為一間投資控股公司。本公司主要附屬公司、本集團聯營公司及共同控制實體之主要業務分別刊載於財務報表附註39、40及18。

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刊載於第39頁之綜合損益表。

董事會不建議就本年度派發任何股息。

財務概要

本集團之財務概要刊載於第118頁。

投資物業及物業、機械及設備

年內，總面值約為110,405,000港元之已落成物業已於建築工程完成時，由在建工程轉撥入投資物業。本集團在年結日重估所有投資物業，為數60,000港元因重估產生之盈餘淨額已直接計入投資物業重估儲備。

本集團之投資物業及本集團及本公司之物業、機械及設備於年內之變動詳情分別刊載於財務報表附註12及13。

The board of directors (the "Directors") of the Company present their annual report and the audited financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries, the Group's associates and jointly controlled entities are set out in notes 39, 40 and 18 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 39.

The directors do not recommend the payment of a dividend for the year.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 118.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the year, certain completed properties with an aggregate carrying amount of approximately HK\$110,405,000 were transferred from construction in progress to the investment properties upon completion of the construction. The Group revalued all of its investment properties at the year end date. The net surplus arising on the revaluation, which has been credited directly to the investment property revaluation reserve, amounted to HK\$60,000.

Details of the movements in the investment properties of the Group and property, plant and equipment of the Group and the Company during the year are set out in notes 12 and 13 to the financial statements respectively.

發展中物業及待售物業

本集團之發展中物業及待售物業於年內之變動詳情分別刊載於財務報表附註14及21。

重組股本

於二零零三年四月二十八日，本公司股東舉行股東特別大會並通過一項重組本公司股本（「重組股本」）之特別決議案，詳列如下：

- (a) 法定股本原為250,000,000美元（相等於1,948,000,000港元），分為10,000,000,000股每股面值0.025美元之普通股，轉換為1,945,000,000港元，分為10,000,000,000股每股面值0.1945港元之普通股（「轉換面值」）；
- (b) 本公司之股本藉註銷每股0.1845港元，將面值由每股0.1945港元減為每股0.01港元，法定及已發行股本因而相應削減。根據現有已發行股數之數目，本公司已發行股本由約1,342,848,000港元減少約1,273,917,000港元至約68,931,000港元（「股本削減」）；
- (c) 本公司100,000,000港元之法定股本，分為10,000,000,000股每股面值0.01港元之普通股，增加100,000,000港元至200,000,000港元，分為20,000,000,000股每股面值0.01港元之股份；
- (d) 本公司股份溢價賬之進項約377,863,000港元減至無（「註銷股份溢價」）；及

PROPERTY UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

Details of the movements in property under development and properties held for sale of the Group during the year are set out in notes 14 and 21 to the financial statements respectively.

CAPITAL REORGANISATION

On 28 April 2003, the shareholders of the Company held a special general meeting and passed a special resolution for the reorganisation of the capital of the Company (the "Capital Reorganisation"), in the following manner:

- (a) the currency denomination of the authorised share capital of US\$250,000,000 (equivalent to HK\$1,948,000,000) divided into 10,000,000,000 ordinary shares with par value of US\$0.025 was converted to HK\$1,945,000,000 divided into 10,000,000,000 ordinary shares with par value of HK\$0.1945 ("Conversion of Nominal Value");
- (b) the nominal value of the share capital of the Company was reduced from HK\$0.1945 per share to HK\$0.01 per share by way of the cancellation of HK\$0.1845 per share, so that the authorised and issued share capital were reduced accordingly. Based on the number of existing shares in issue, the issued share capital of the Company of approximately HK\$1,342,848,000 was reduced by approximately HK\$1,273,917,000 to approximately HK\$68,931,000 ("Capital Reduction");
- (c) the authorised share capital of the Company of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each was increased by HK\$100,000,000 to HK\$200,000,000 divided into 20,000,000,000 shares of HK\$0.01 each;
- (d) the amount of approximately HK\$377,863,000 standing to the credit of the share premium account of the Company was reduced to nil ("Share Premium Cancellation"); and

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重組股本 (續)

(e) 削減股本及註銷股份溢價所得約1,651,780,000港元之進項，用於抵銷本公司於二零零一年十二月三十一日約1,188,390,000港元之累計虧損，該進項約463,390,000港元之結餘轉入本公司繳納盈餘賬。

本公司重組股本詳情刊載於二零零三年四月三日本公司向股東發出之通函。

股本

於二零零三年二月二十七日，為數100,467,000港元之可換股票據已全數按每股0.1945港元之兌換價，兌換為本公司516,541,335股新普通股，為數約100,467,000港元。

於二零零三年四月二十八日，根據重組股本，本公司之已發行股本已削減約1,273,917,000港元。

年內，本公司已發行及配發5,018,151,792股每股面值0.01港元之普通股，以換取總代價約304,178,000港元，為本集團之業務擴展提供額外資金。

於二零零三年十二月，本公司因應若干僱員行使其獲授之購股權而按每股0.0754港元發行及配發50,000,000股每股面值0.01港元之普通股。

本公司年內之股本變動詳情刊載於財務報表附註26。

儲備

本集團及本公司之儲備變動詳情分別刊載於第43頁之綜合權益變動表及財務報表附註28。

CAPITAL REORGANISATION (Continued)

(e) the credit amount of approximately HK\$1,651,780,000 arising from the Capital Reduction and Share Premium Cancellation was used to eliminate the accumulated losses of the Company of approximately HK\$1,188,390,000 as at 31 December 2001 and the balance of such credit of approximately HK\$463,390,000 was transferred to the contributed surplus account of the Company.

Further details of the Company's Capital Reorganisation were set out in the Company's circular issued to the shareholders dated 3 April 2003.

SHARE CAPITAL

On 27 February 2003, all of the convertible notes amounting to HK\$100,467,000 were converted into 516,541,335 new ordinary shares of the Company at the conversion price of HK\$0.1945 each, amounting to approximately HK\$100,467,000.

On 28 April 2003, pursuant to the Capital Reorganisation, the amount of the Company's issued share capital was reduced by approximately HK\$1,273,917,000.

During the year, the Company issued and allotted 5,018,151,792 ordinary shares of HK\$0.01 each for an aggregate consideration of approximately HK\$304,178,000 to provide the additional capital to finance the Group's business expansion.

In December 2003, the Company issued and allotted 50,000,000 ordinary shares of HK\$0.01 each at HK\$0.0754 per share upon the exercise of share options granted to certain employees.

Details of movements in the share capital of the Company during the year are set out in note 26 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 43 and note 28 to the financial statements respectively.

儲備 (續)

於二零零三年十二月三十一日，本公司並無可供現金分派及／或實物分派之儲備，惟根據百慕達法例，本公司之股份溢價賬約248,208,000港元可以繳足紅股之形式分派，而本公司之繳納盈餘賬約588,178,000港元可於若干情況下分派。

董事

截至本報告日期，本公司於本年度內之董事如下：

執行董事：

王聰德先生 (於二零零三年十月二十八日獲委任)
鄧文雲先生 (於二零零三年九月二日獲委任)
龔漢兵先生
謝錦輝先生 (於二零零三年十月二十八日獲委任)
李黑虎先生 (於二零零三年十月二十八日退任)
李景奇先生 (於二零零三年十月二十八日退任)

非執行董事：

陳潮先生 (於二零零三年十月二十八日
退任執行董事及重新獲委任
為非執行董事)
王文俊先生 (於二零零四年一月一日獲委任)

獨立非執行董事：

李國精先生
廖醒標先生 (於二零零三年九月二日獲委任)
莊嘉俐小姐 (於二零零三年十一月四日獲委任)
龍炳坤先生 (於二零零三年九月二日退任)
潘昭國先生 (於二零零三年十一月四日退任)

RESERVES (Continued)

As at 31 December 2003, the Company had no reserves available for cash distribution and/or distribution in specie, except that under the laws of Bermuda, the Company's share premium account, in the amount of approximately HK\$248,208,000, may be distributed in the form of fully paid bonus shares and the Company's contributed surplus account, in the amount of approximately HK\$588,178,000, may be distributed under certain circumstances.

DIRECTORS

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

Executive directors:

Mr. Wong Chung Tak (appointed on 28 October 2003)
Mr. Deng Wenyun (appointed on 2 September 2003)
Mr. Gong Hanbing
Mr. Tse Kam Fai (appointed on 28 October 2003)
Mr. Li Heihu (resigned on 28 October 2003)
Mr. Li Jingqi (resigned on 28 October 2003)

Non-executive directors:

Mr. Chen Chao (resigned as executive director and
re-designated as non-executive
director on 28 October 2003)
Mr. Wong Ngo, Derick (appointed on 1 January 2004)

Independent non-executive directors:

Mr. Lee Kuo Ching, Stewart
Mr. Liu Sing Piu, Chris (appointed on 2 September 2003)
Ms. Chong Kally (appointed on 4 November 2003)
Mr. Loong Ping Kwan (resigned on 2 September 2003)
Mr. Poon Chiu Kwok (resigned on 4 November 2003)

Report of the Directors

董事 (續)

依據本公司之公司細則第86及87條，王聰德先生、鄧文雲先生、謝錦輝先生、李國精先生、廖醒標先生、王文俊先生及莊嘉俐小姐將於即將舉行之股東週年大會上告退，惟有資格並願意於同一大會上膺選連任。

獨立非執行董事並無指定任期，惟須按本公司之公司細則輪值退任。

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立任何本集團於一年內終止即須作出賠償(法定賠償除外)之服務合約。

董事簡介

本公司董事之個人簡介資料刊載於第18至21頁。

董事及主要行政人員於股份、相關股份及債券之權益

除下文「購股權」及「主要股東」兩節所披露者外，於二零零三年十二月三十一日，本公司董事或主要行政人員或其任何聯繫人概無於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債券中擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊，或須根據上市公司董事進行證券交易之標準守則知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉。

DIRECTORS (Continued)

In accordance with the Company's bye-laws 86 and 87, Messrs. Wong Chung Tak, Deng Wenyun, Tse Kam Fai, Lee Kuo Ching, Stewart, Liu Sing Piu, Chris and Wong Ngo, Derick and Ms. Chong Kally will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the bye-laws of the Company.

No director proposed for re-election at the forthcoming annual general meeting has 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.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 18 to 21.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed in the sections "Share Options" and "Substantial Shareholders" below, as at 31 December 2003, none of the directors or chief executives of the Company or any of their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事於重大合約之權益

於年度結束時或年內任何時間，本公司各董事概無在本公司或其附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

購股權

按本公司於二零零二年五月三十日舉行之股東週年大會上通過之普通決議案，本公司採納一項新購股權計劃（「新計劃」）。新計劃取代於二零零零年十一月十七日採納之購股權計劃（「舊計劃」）。採納新計劃後，概無按舊計劃授出其他購股權。本公司購股權計劃之詳情刊載於財務報表附註27。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance 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.

SHARE OPTIONS

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 May 2002, a new share option scheme (the "New Scheme") was adopted by the Company. The New Scheme replaced the share option scheme adopted on 17 November 2000 (the "Old Scheme"). After the adoption of the New Scheme, no further options can be granted under the Old Scheme. Particulars of the Company's share option schemes are set out in note 27 to the financial statements.

Report of the Directors

購股權 (續)

SHARE OPTIONS (Continued)

本公司已發行購股權之變動詳情刊載如下：

Details of movements in the Company's outstanding share options during the year are set out below:

舊計劃
Old Scheme

參與者姓名或組別 Name or category of participant	附註 Notes	購股權數目 Number of share options					於二零零三年 十二月三十一日 尚未行使 Outstanding at 31 December 2003	授出 購股權日期* Date of grant of share options*	購股權 行使期間 Exercise period of share options	購股權 行使價** Exercise price of share options** 港元 HK\$	於購股權 行使日期 At exercise date of options 港元 HK\$
		於二零零三年 一月一日 尚未行使 Outstanding 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	年內註銷 Cancelled during the year					
董事 Directors											
李黑虎先生 Mr. Li Heihu	(a)	60,000,000	—	—	—	—	60,000,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十一日 至二零零一年 十一月十六日 21.3.2001 to 16.11.2010	0.1945	不適用 N/A
陳潮先生 Mr. Chen Chao		30,000,000	—	—	—	—	30,000,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十一日 至二零零一年 十一月十六日 21.3.2001 to 16.11.2010	0.1945	不適用 N/A
李景奇先生 Mr. Li Jingqi	(b)	13,500,000	—	—	—	—	13,500,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十一日 至二零零一年 十一月十六日 21.3.2001 to 16.11.2010	0.1945	不適用 N/A
龔漢兵先生 Mr. Gong Hanbing		30,000,000	—	—	—	—	30,000,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十一日 至二零零一年 十一月十六日 21.3.2001 to 16.11.2010	0.1945	不適用 N/A
		2,580,000	—	—	—	—	2,580,000	二零零一年 七月二十三日 23.7.2001	二零零二年 一月一日 至二零零六年 十二月三十一日 1.1.2002 to 31.12.2006	0.1945	不適用 N/A
		2,580,000	—	—	—	—	2,580,000	二零零一年 七月二十三日 23.7.2001	二零零二年 七月一日 至二零零七年 六月三十日 1.7.2002 to 30.6.2007	0.1945	不適用 N/A
李國精先生 Mr. Lee Kuo Ching, Stewart	(c)	900,000	—	—	—	—	900,000	一九九七年 七月七日 7.7.1997	一九九七年 七月十五日 至二零零七年 七月十四日 15.7.1997 to 14.7.2007	0.3800	不適用 N/A
		139,560,000	—	—	—	—	139,560,000				

購股權 (續)

SHARE OPTIONS (Continued)

舊計劃 (續)

Old Scheme (Continued)

參與者姓名或組別 Name or 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 尚未行使 Outstanding at 31 December 2003	授出 購股權日期* Date of grant of share options*	購股權 行使期間 Exercise period of share options	購股權 行使價** Exercise price of share options** 港元 HK\$	於購股權 行使日期 At exercise date of options 港元 HK\$
	於二零零三年 一月一日 尚未行使 Outstanding 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	年內註銷 Cancelled during the year					
其他僱員 Other employees										
合計 In aggregate	15,000,000	—	—	(4,500,000)	—	10,500,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十日 至二零零一年 十一月十六日 20.3.2001 to 16.11.2010	0.1945	不適用 N/A
	1,500,000	—	—	—	—	1,500,000	二零零一年 三月九日 9.3.2001	二零零一年 三月二十二日 至二零零一年 十一月十六日 22.3.2001 to 16.11.2010	0.1945	不適用 N/A
	25,000,000	—	—	—	—	25,000,000	二零零一年 七月二十三日 23.7.2001	二零零一年 八月二日 至二零零六年 七月二十六日 2.8.2001 to 26.7.2006	0.1945	不適用 N/A
	25,000,000	—	—	—	—	25,000,000	二零零一年 七月二十三日 23.7.2001	二零零一年 八月四日 至二零零六年 七月二十八日 4.8.2001 to 28.7.2006	0.1945	不適用 N/A
	48,862,800	—	—	—	—	48,862,800	二零零一年 七月二十三日 23.7.2001	二零零一年 八月十五日 至二零零六年 八月八日 15.8.2001 to 8.8.2006	0.1945	不適用 N/A
	47,118,550	—	—	—	—	47,118,550	二零零一年 七月二十三日 23.7.2001	二零零二年 一月一日 至二零零六年 十二月三十一日 1.1.2002 to 31.12.2006	0.1945	不適用 N/A
	47,118,550	—	—	—	—	47,118,550	二零零一年 七月二十三日 23.7.2001	二零零二年 七月一日 至二零零七年 六月三十日 1.7.2002 to 30.6.2007	0.1945	不適用 N/A
	750,000	—	—	—	—	750,000	二零零一年 八月十三日 13.8.2001	二零零二年 一月一日 至二零零六年 十二月三十一日 1.1.2002 to 31.12.2006	0.1945	不適用 N/A
	750,000	—	—	—	—	750,000	二零零一年 八月十三日 13.8.2001	二零零二年 七月一日 至二零零七年 六月三十日 1.7.2002 to 30.6.2007	0.1945	不適用 N/A
	211,099,900	—	—	(4,500,000)	—	206,599,900				
	350,659,900	—	—	(4,500,000)	—	346,159,900				

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購股權 (續)

SHARE OPTIONS (Continued)

新計劃
New Scheme

參與者姓名或組別 Name or 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 尚未行使 Outstanding at 31 December 2003		授出 購股權日期*	購股權 行使期間 Exercise period of share options	購股權 行使價** Exercise price of share options** HK\$	於購股權 授出日期 At grant date of options HK\$	於購股權 行使日期 At exercise date of options HK\$
	於二零零三年 一月一日 尚未行使 Outstanding 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	年內註銷 Cancelled during the year	於二零零三年 十二月三十一日 尚未行使 Outstanding at 31 December 2003	授出 購股權日期*	購股權 行使期間 Exercise period of share options	購股權 行使價** Exercise price of share options** HK\$	於購股權 授出日期 At grant date of options HK\$	於購股權 行使日期 At exercise date of options HK\$	
其他僱員 Other employees												
合計 In aggregate	—	90,000,000	(50,000,000)	—	—	40,000,000	二零零三年 十月十四日 14.10.2003	二零零三年 十一月二十八日 至二零零八年 十一月二十六日 28.11.2003 to 26.11.2008	0.0754	0.0730	0.0800	

附註：

Notes:

- (a) 李黑虎先生於二零零三年十月退任本公司董事及主席之職，現時擔任本公司高級顧問。
- (a) Mr. Li Heihu resigned as director and Chairman of the Company in October 2003 and now is the senior consultant of the Company.
- (b) 李景奇先生於二零零三年十月退任本公司董事及副總裁之職，其購股權已於二零零四年一月失效。
- (b) Mr. Li Jingqi resigned as director and Vice President of the Company in October 2003. His share options lapsed in January 2004.
- (c) 於二零零三年一月一日已發行之購股權乃根據股東在本公司於一九九七年六月十日舉行之股東週年大會上授出之一般授權，授予李國精先生。
- (c) The options outstanding at 1 January 2003 granted to Mr. Lee Kuo Ching, Stewart were in accordance with the general mandate granted by the shareholders to the directors at the annual general meeting of the Company held on 10 June 1997.

* 該等購股權之歸屬期乃自授出日期直至行使期間開始為止。

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** 如本公司進行供股、發行紅股或股本發生類似變動，該等購股權之行使價須予調整。

** 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.

*** 於授出購股權日期所披露之本公司股價乃為緊接購股權授出日期前一個交易日本公司股份於聯交所之收市價。

*** The price of the Company's shares disclosed at the date of the grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of the grant of the share options.

購股權 (續)

緊接50,000,000股股份之行使日期二零零三年十二月一日以前之收市價為0.075港元，董事認為，年內授出之購股權之理論上價值須視乎多項因素而定，而有關因素難以確定或只可根據多項理論上的基準及揣測性假設而確定。因此，本公司董事相信，計算購股權之價值並無意義，並可能在部份情況下誤導股東。

損益表概無就年內授出之購股權之價值確認任何支出。

於二零零三年十二月三十一日，根據本公司購股權計劃可予發行之股份總數為386,159,900股，佔本公司已發行股本之3.2%。

購買股份或債券之安排

除上文「購股權」一節所披露者外，本公司或其任何附屬公司於年內概無參與任何安排，致使本公司董事或主要行政人員可藉購買本公司或任何其他法團之股份或債券而獲益。

SHARE OPTIONS (Continued)

The closing price immediately before the date of exercise of the 50,000,000 shares on 1 December 2003 was HK\$0.075. The directors are of the view that the value of the theoretical value of the options granted during the year depends on a number of variables which are either difficult to ascertain or can only be ascertained on a number of theoretical basis and speculative assumptions. Accordingly, the directors of the Company believed that any calculation of the value of the options will not be meaningful and may be misleading to shareholders in the circumstances.

No charge is recognised in the income statement in respect of the value of options granted during the year.

As at 31 December 2003, the total number of shares available for issue under the Company's share option schemes is 386,159,900 shares, representing 3.2% of the issued share capital of the Company.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section "Share Options" above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Company's directors or chief executives to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Report of the Directors

主要股東

於二零零三年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，除上文所披露有關若干董事及僱員之權益外，以下股東已知會本公司其擁有本公司已發行股本之有關權益：

好倉

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and employees, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions

	股東名稱 Name of shareholder	所持股份數目 Number of shares held		佔已發行股份 總數百分比 Percentage in total
		直接權益 Direct interest	間接權益 Indirect interest	number of issued shares
Thing On Group Limited	Thing On Group Limited	1,654,351,792	—	13.83%
王聰德先生	Mr. Wong Chung Tak	—	1,654,351,792	13.83%
深圳市投資管理公司 (「深圳投資」)	Shenzhen Investment Holding Corporation (“SIHC”)	320,335,712	1,289,090,260	13.46%
Ultrarich International Limited (「UIL」)	Ultrarich International Limited (“UIL”)	—	1,289,090,260	10.78%
深圳國際控股有限公司 (「深圳國際」)	Shenzhen International Holdings Limited (“SIHL”)	—	1,289,090,260	10.78%
New Vision Limited (「NVL」)	New Vision Limited (“NVL”)	—	1,289,090,260	10.78%
Great Mind Holdings Group Limited (「GML」)	Great Mind Holdings Group Limited (“GML”)	1,289,090,260	—	10.78%
董士奇／郭威／楊朝陽	Dong Shi Qi/Guo Wei/Yang Zhao Yang	600,000,000	—	5.02%

附註：

- (1) Thing On Group Limited之全部已發行股本由王聰德先生實益擁有。因此，Thing On Group Limited及王聰德先生被視為於本公司股本中擁有同一權益。

Notes:

- (1) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak. Both Thing On Group Limited and Mr. Wong Chung Tak are therefore deemed to have the duplicate interests in the share capital of the Company.

主要股東 (續)

- (2) GML在1,289,090,260股本公司股份所佔之權益亦涉及NVL。NVL在1,289,090,260股本公司股份所佔之權益亦涉及深圳國際、UIL及深圳投資，原因如下：
- (a) GML為NVL之全資附屬公司；
- (b) NVL為深圳國際之全資附屬公司；
- (c) UIL可在深圳國際之股東大會上控制三分之一以上之投票權；及
- (d) UIL為深圳投資之全資附屬公司。

除上文所披露者外，於二零零三年十二月三十一日，本公司概無獲知會於本公司股份及相關股份之其他有關權益或淡倉。

關連交易

- (a) 本公司已於二零零三年一月九日與中信實業銀行武漢分行簽訂數額上限為人民幣5,000,000元（約相等於4,692,000港元）之擔保，作為其向本集團一間共同控制實體批出上限與上述保證金額相同之銀行授信之抵押。根據該共同控制實體與中信實業銀行訂立之貸款協議，本公司提供之擔保期限由二零零四年一月十四日開始為期兩年，或若銀行授信須於二零零四年一月十四日之前還款，則由銀行授信到期日起計兩年。於二零零三年十二月三十一日，該共同控制實體已悉數動用銀行授信。

以上交易之其他詳情刊載於本公司二零零三年一月十日刊發之公佈。

- (b) 根據中關村科技園區海澱園數字園區管理服務中心於二零零三年十二月八日發出之批覆，本公司之全資附屬公司北京曙光天演技術信息有限公司（「北京曙光」）已獲准以現金向北京成華創業科技有限公司（「成華創科」）之註冊資本出資人民幣10,000,000元（約相等於9,384,000港元），於北京曙光增資前，成華創科為本公司擁有55%之附屬公司。於北京曙光完成出資後，本集團於成華創科之權益將增至83.125%。

SUBSTANTIAL SHAREHOLDERS (Continued)

- (2) The interest of GML in the 1,289,090,260 shares of the Company is attributed to NVL. The interest of NVL in the 1,289,090,260 shares of the Company is also attributed to SIHL, UIL and SIHC on the bases that:
- (a) GML is the wholly-owned subsidiary of NVL;
- (b) NVL is the wholly-owned subsidiary of SIHL;
- (c) UIL controls more than one-third of the voting power at SIHL's general meetings; and
- (d) UIL is the wholly-owned subsidiary of SIHC.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2003.

CONNECTED TRANSACTIONS

- (a) On 9 January 2003, the Company has executed a guarantee to the extent of RMB5,000,000 (equivalent to approximately HK\$4,692,000) in favour of CITIC Industrial Bank, Wuhan Branch in respect of a loan facility of up to the abovementioned guarantee amount granted to a jointly controlled entity of the Group. Pursuant to the loan agreement entered into between the jointly controlled entity and CITIC Industrial Bank, the guarantee provided by the Company is for a period of two years from 14 January 2004, or two years from the due date of the loan facility if the loan facility becomes payable prior to 14 January 2004. As at 31 December 2003, the loan facility was fully utilised by such jointly controlled entity.

Further details of the above transaction were set out in an announcement made by the Company on 10 January 2003.

- (b) Pursuant to the approval issued by 中關村科技園區海澱園數字園區管理服務中心 (Zhongguancun Science Park Haidain Digital District Management Service Center) dated 8 December 2003, Beijing Dawning Tianyan Information Technology Company Limited ("Beijing Dawning"), a wholly-owned subsidiary of the Company, was allowed to contribute RMB10,000,000 (equivalent to approximately HK\$9,384,000), in cash towards the registered capital of Beijing CPT Bluetus Co., Ltd. ("Beijing CPT"), which was a 55% owned subsidiary of the Company prior to the additional capital contribution by Beijing Dawning. After the completion of the capital contribution by Beijing Dawning, the Group's interest in Beijing CPT will be increased to 83.125%.

Report of the Directors

關連交易 (續)

截至二零零三年十二月三十一日，北京曙光已出資共人民幣10,000,000元(約相等於9,384,000港元)，其中之人民幣6,500,000元(約相等於6,099,000港元)已列為成華創科之資本。

以上交易之其他詳情刊載於本公司於二零零三年十二月十二日刊發之公佈。

主要客戶及供應商

截至二零零三年十二月三十一日止年度，本集團向五大供應商之採購佔本集團總採購額約35.6%，當中包括向最大供應商之採購，佔本集團總採購額約13.6%。本集團向五大客戶之銷售佔本集團總營業額約24.9%，當中包括向最大客戶之銷售，佔本集團總營業額約7.1%。

本公司之董事、彼等之聯繫人或據董事所知擁有本公司已發行股本超過5%之股東，概無於本集團五大客戶及供應商當中擁有實益權益。

競爭及利益衝突

本公司之董事或主要股東或其各自之聯繫人概無從事任何與本集團業務可能有競爭或與本集團有任何其他利益衝突之業務。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

CONNECTED TRANSACTIONS (Continued)

Up to 31 December 2003, a total amount of RMB10,000,000 (equivalent to approximately HK\$9,384,000) has been contributed by Beijing Dawning and RMB6,500,000 (equivalent to approximately HK\$6,099,000) has been accounted for as capital of Beijing CPT.

Further details of the above transaction were set out in an announcement made by the Company on 12 December 2003.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2003, the Group's purchases from the five largest suppliers accounted for approximately 35.6% of the Group's total purchases and purchases from the largest supplier included therein accounted for approximately 13.6% of the Group's total purchases. The Group's sales to the five largest customers accounted for approximately 24.9% of the Group's total turnover and sales to the largest customer included therein accounted for approximately 7.1% of the Group's total turnover.

None of the directors of the Company, their associates, nor any shareholder, which to the best knowledge of the directors own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and suppliers.

COMPETITION AND CONFLICTS OF INTERESTS

None of the directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

優先購買權

本公司之公司細則或百慕達法例概無有關優先購買權之規定，因此本公司毋須按優先基準向現有股東發售新股。

結算日後事項

結算日後之重要事項詳情刊載於財務報表附註38。

公司管治**最佳應用守則**

本公司於截至二零零三年十二月三十一日止年度內一直遵守聯交所證券上市規則（「上市規則」）附錄14所載之最佳應用守則，惟根據本公司之公司細則，獨立非執行董事須在股東週年大會上輪值退任及重選，故委任獨立非執行董事時並未按上市規則附錄14所規定設有固定任期。

審核委員會

本公司之審核委員會由三名獨立非執行董事組成，現時包括李國精先生、廖醒標先生及莊嘉俐小姐。審核委員會已討論本集團所採用的會計政策和基準、財務匯報及內部監控程序，並已作討論及據此批准本年報。

核數師

年內，安永會計師事務所任滿告退，而德勤·關黃陳方會計師行已獲委聘為本公司核數師。

於股東週年大會上將會提呈重新委聘德勤·關黃陳方會計師行為本公司核數師之決議案。

PRE-EMPTIVE RIGHTS

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

POST BALANCE SHEET EVENTS

Details of the significant events taken place subsequent to the balance sheet date are set out in note 38 to the financial statements.

CORPORATE GOVERNANCE**Code of Best Practice**

The Company has complied at any time throughout the year ended 31 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 (the "Listing Rules") except that the independent non-executive directors were not appointed for a specific term as set out in Appendix 14 of the Listing Rules but are subject to retirement by rotation and re-election at annual general meetings in accordance with the bye-laws of the Company.

Audit Committee

The Audit Committee of the Company comprises three independent non-executive directors, currently includes Mr. Lee Kuo Ching, Stewart, Mr. Liu Sing Piu, Chris and Miss Chong Kally. The Audit Committee has reviewed the adoption of accounting policies and basis adopted, financial reporting process and internal control procedures, discussed and approved this annual report accordingly.

AUDITORS

During the year, Messrs. Ernst & Young retired and Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company.

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

Report of the Directors

鳴謝

本人謹藉此機會，對各股東及業務夥伴於回顧年度的鼎力支持，以及董事會同寅及全體員工的竭誠服務，致以衷心感謝。

代表董事會

王聰德

主席

香港

二零零四年四月十六日

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to the shareholders and business partners for their support and my fellow directors and all the staff members for their effort and dedication during the year under review.

On behalf of the Board

Wong Chung Tak

CHAIRMAN

Hong Kong

16 April 2004