

# Report of the Directors 董事會報告

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

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 16 on the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries (“the Group”) during the financial year are set out in note 13 on the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group’s sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合計

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company’s share capital) had any interest (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”)) in these major customers and suppliers.

董事會欣然提呈截至二零零三年十二月三十一日止年度之年度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。各附屬公司之主要業務及其他詳情載於財務報表附註十六。

本公司及其附屬公司（「本集團」）於本財政年度內之主要業務及按地域劃分之分析載於財務報表附註十三。

## 主要客戶及供應商

本集團於本財政年度內來自主要客戶及供應商之銷售額及採購額之資料如下：

Percentage of the Group’s total 佔本集團總數百分比	
Sales 銷售	Purchases 採購

10%	
35%	
	35%
	65%

本公司董事、其聯繫人士或本公司任何股東（據董事所知擁有本公司股本超過5%者）於本年度內任何時間概無於此等主要客戶及供應商擁有任何權益（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。

### CONNECTED TRANSACTION

On 21 March 2003, the Company entered into an agreement with China Everbright Technology Limited (“CE Technology”) whereby the Company has agreed to sell and CE Technology has agreed to purchase the entire 100% interests in the share capital of each of Bright Merit Investments Limited and Tung On Assets Limited, which in aggregate held an attributable interest of approximately 77.12% interest in Everbright Timber Industry (Shenzhen) Co., Ltd., for a cash consideration of HK\$7,000,000. The transaction, which constituted a connected transaction as defined by the Listing Rules, was announced by way of a press announcement by the Company on 24 March 2003 and was completed on 28 March 2003.

### DISCLOSEABLE TRANSACTION

On 4 November 2003, the Company announced that on 1 November 2003:

- (i) EB-VW HK Holding Company Limited (“EB-VW”, a subsidiary of the Group and formerly known as Eagle Choice Investment Limited) entered into a project company joint venture contract with Qingdao Municipal Drainage Company (“Qingdao Drainage”) to form a project company, Qingdao EB-VW Waste Water Treatment Co. Ltd.
- (ii) China Everbright Environmental Protection Investment Limited (“CE Environmental”, a subsidiary of the Company) entered into an operation company joint venture contract with Veolia Water and Qingdao Drainage to form an operation company, Qingdao Veolia Water Operating Company Limited (“Qingdao Veolia”).
- (iii) Veolia Asia unilaterally signed a letter of undertaking in favour of CE Environmental and EB-VW, subject to certain conditions, for the acquisition of shares in EB-VW and Qingdao Veolia.

The transaction constituted a discloseable transaction as defined by the Listing Rules and was announced by way of a press announcement by the Company on 4 November 2003. Details of the transaction have been included in the circular to shareholders dated 25 November 2003.

### 關連交易

於二零零三年三月二十一日，本公司與中國光大科技有限公司（「光大科技」）訂立協議。根據協議，本公司同意出售，而光大科技同意購入Bright Merit Investments Limited及Tung On Assets Limited全數100%股本權益（Bright Merit Investments Limited及Tung On Assets Limited合共持有光大木材工業（深圳）有限公司約77.12%歸屬權益），代價為港幣7,000,000元現金。是項交易構成一項關連交易（定義見上市規則）及本公司已於二零零三年三月二十四日透過報章公告予以公布。是項交易已於二零零三年三月二十八日完成。

### 須予披露交易

於二零零三年十一月四日，本公司公布於二零零三年十一月一日：

- (i) 光大威立雅水務香港控股有限公司（「光大威立雅水務」，本集團之附屬公司，前稱宜趣投資有限公司）與青島市排水公司（「青島排水」）訂立項目公司合營合同，成立一間項目公司－青島光威污水處理有限公司。
- (ii) 中國光大環保投資有限公司（「光大環保」，本公司之附屬公司）與威立雅水務及青島排水訂立營運公司合營合同，成立一間營運公司－青島威立雅水務運營有限公司（「青島威立雅」）。
- (iii) 威立雅亞洲向光大環保及光大威立雅水務出具單方承諾書，收購光大威立雅水務及青島威立雅之股份，惟須待若干條件得以完成後方可作實。

是項交易構成一項須予披露交易（定義見上市規則）及本公司已於二零零三年十一月四日透過報章公告予以公布。是項交易之詳情載於二零零三年十一月二十五日致予股東之通函內。

## REDUCTION OF SHARE PREMIUM ACCOUNT

On 5 January 2004, the Company announced its intention to put forward a proposal for the reduction of the Company's share premium account by the sum of HK\$2,372,172,824 (i.e. accumulated losses of the Company as at 30 September 2003) and the same amount of credit arising from such reduction be applied towards the elimination of the accumulated losses of the Company. Details of the proposal for the reduction of share premium account have been included in the circular to shareholders dated 8 January 2004. The reduction of share premium account, which was approved by the shareholders at the extraordinary general meeting held on 2 February 2004, had been confirmed by an order made by the High Court of Hong Kong on 2 March 2004 and became effective upon registration of the said order by the Registrar of Companies in Hong Kong on the same date.

## FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2003 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 56 to 144.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2003 (2002: HK\$Nil).

## FIXED ASSETS

Details of the movements in fixed assets during the year are set out in note 14 on the financial statements.

## SHARE CAPITAL

Details of share capital of the Company are set out in note 31 on the financial statements.

## RESERVES

Details of the movements in reserves of the Group and of the Company during the year are set out in note 32 on the financial statements.

## 削減股份溢價賬

於二零零四年一月五日，本公司公布其擬提呈建議，削減本公司股份溢價賬港幣2,372,172,824元（即本公司截至二零零三年九月三十日之累計虧損），並將削減股份溢價賬所產生之同一數額進賬金額用於抵銷本公司之累計虧損。削減股份溢價賬建議之詳情載於二零零四年一月八日致予股東之通函內。削減股份溢價賬事項已於二零零四年二月二日舉行之股東特別大會上獲股東批准，並於二零零四年三月二日獲香港高等法院作出頒令予以確認及於本公司在同日向香港公司註冊處登記上述頒令後生效。

## 財務報表

本集團截至二零零三年十二月三十一日止年度之盈利，以及本公司與本集團於該日之財政狀況載於第五十六頁至第一百四十四頁之財務報表內。

董事會不建議就截至二零零三年十二月三十一日止年度派發任何股息（二零零二年：港幣零元）。

## 固定資產

於本年度內固定資產之變動詳情載於財務報表附註十四。

## 股本

本公司之股本詳情載於財務報表附註三十一。

## 儲備

本集團及本公司於本年度內儲備之變動詳情載於財務報表附註三十二。

## DIRECTORS

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

### Executive directors

Wang Mingquan, *Chairman*

Li Xueming, *Vice-chairman*

(appointed on 25 June 2003)

Chen Xiaoping, *Chief Executive Officer*

Fan Yan Hok, Philip, *General Manager*

Huang Chaohua

Wong Kam Chung, Raymond

Chen Shuang

Zhang Weiyun

### Independent non-executive directors

Sir David Akers-Jones

Lee Ka Sze, Carmelo

Li Kwok Sing, Aubrey

In accordance with articles 73, 77, 78 and 79 of the Company's Articles of Association, Messrs. Wang Mingquan, Li Xueming, Chen Xiaoping and Sir David Akers-Jones retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement in accordance with the Company's Articles of Association as indicated above.

## DIRECTORS' SERVICE CONTRACTS

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

## 董事

於本財政年度內及截至本報告日期止之董事如下：

### 執行董事

王明權 (主席)

李學明 (副主席)

(於二零零三年六月二十五日獲委任)

陳小平 (行政總裁)

范仁鶴 (總經理)

黃朝華

黃錦聰

陳爽

張衛云

### 獨立非執行董事

鍾逸傑爵士

李嘉士

李國星

依據本公司之公司章程細則第七十三、七十七、七十八及七十九條規定，王明權先生、李學明先生、陳小平先生及鍾逸傑爵士須於即將舉行之股東週年大會上依章告退，而彼等已表示願意膺選連任。

獨立非執行董事乃如上文所述根據本公司之公司章程細則告退。

## 董事之服務合約

本公司或其任何附屬公司並無與在即將舉行之股東週年大會上提名連任之董事訂立不可於一年內免付賠償（一般法定賠償除外）予以終止之未屆滿服務合約。

## Report of the Directors 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2003, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO are as follows:

### 董事及主要行政人員持有之股份、相關股份及債券權益及淡倉

於二零零三年十二月三十一日，按本公司根據證券及期貨條例第352條規定須予存置之董事及主要行政人員權益及淡倉登記冊所載記錄顯示，本公司各董事及主要行政人員於該日在本公司、其控股公司、附屬公司及其他聯繫公司（定義見證券及期貨條例）之股份、相關股份及債券中所擁有之權益及淡倉如下：

#### (i) Long position in underlying shares of equity derivatives of the Company

#### (i) 於本公司相關股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options) 持有股本衍生工具數目 (購股權)	Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比
Wang Mingquan	王明權 Personal 個人	25,400,000	25,400,000	1.00%
Li Xueming	李學明 Personal 個人	18,000,000	18,000,000	0.71%
Chen Xiaoping	陳小平 Personal 個人	18,000,000	18,000,000	0.71%
Fan Yan Hok, Philip	范仁鶴 Personal 個人	10,000,000	10,000,000	0.39%
Huang Chaohua	黃朝華 Personal 個人	9,000,000	9,000,000	0.35%
Wong Kam Chung, Raymond	黃錦聰 Personal 個人	9,000,000	9,000,000	0.35%
Chen Shuang	陳爽 Personal 個人	4,000,000	4,000,000	0.16%
Zhang Weiyun	張衛云 Personal 個人	4,000,000	4,000,000	0.16%
Sir David Akers-Jones	鍾逸傑爵士 Personal 個人	1,000,000	1,000,000	0.04%
Lee Ka Sze, Carmelo	李嘉士 Personal 個人	1,000,000	1,000,000	0.04%
Li Kwok Sing, Aubrey	李國星 Personal 個人	1,000,000	1,000,000	0.04%

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES** (continued)

董事及主要行政人員持有之股份、相關股份及債券權益及淡倉 (續)

(ii) Long position in underlying shares of equity derivatives of China Everbright Limited (“CEL”), an associated corporation of the Company

(ii) 於本公司之聯繫公司中國光大控股有限公司(「光大控股」)相關股份股本衍生工具之好倉

Name of director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held (share options) 持有股本 衍生工具數目 (購股權)	Number of underlying shares (ordinary shares) 相關股份數目 (普通股)	Percentage 百分比	
Wang Mingquan	王明權	Personal 個人	9,000,000	9,000,000	0.58%

All the above underlying shares of equity derivatives (being unlisted and physically settled) were beneficially owned by the directors concerned. The percentage shown was calculated based on the respective number of issued shares of the Company and CEL as at 31 December 2003.

上述相關股份股本衍生工具(非上市及實物結算)均由有關董事實益持有。上表所顯示之百分比以本公司及光大控股於二零零三年十二月三十一日各自已發行股份數目計算。

Further details relating to the options granted to the directors and chief executive of the Company are set out in the section “Share option scheme” below.

有關本公司向董事及主要行政人員授出購股權的進一步詳情載於下文「購股權計劃」一節。

Apart from the foregoing, none of the directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, any of its holding company, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

除上文所述者外，按本公司根據證券及期貨條例第352條規定須予存置之登記冊所載記錄顯示，本公司各董事及主要行政人員或彼等之任何配偶或十八歲以下之子女概無在本公司、其任何控股公司、附屬公司或其他聯繫公司之股份、相關股份或債券中擁有權益或淡倉或根據上市公司董事進行證券交易之標準守則須知會本公司之權益或淡倉。

## SHARE OPTION SCHEME

On 26 May 2003, the shareholders of the Company approved the termination of the share option scheme adopted by the Company on 30 September 1993 (“1993 Share Option Scheme”) upon the new option scheme (“2003 Share Option Scheme”) becoming effective.

### 1993 Share Option Scheme

The Company had a share option scheme which was adopted on 30 September 1993 whereby the directors of the Company were authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) for the five business days immediately preceding the date of the grant. For options granted on or after 1 September 2001, the exercise price of options was the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options were exercisable six months after the date on which the options were granted for a period up to ten years or 29 September 2003, whichever was earlier.

## 購股權計劃

於二零零三年五月二十六日，在新購股權計劃生效（「二零零三年購股權計劃」）後，本公司股東批准終止本公司於一九九三年九月三十日採納之購股權計劃（「一九九三年購股權計劃」）。

### 一九九三年購股權計劃

本公司設有一個購股權計劃，其於一九九三年九月三十日採納。據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納可認購本公司股份之購股權。就二零零一年九月一日前授出之購股權而言，其行使價乃由董事會釐定，並為股份面值或股份緊接授出日期前五個營業日在香港聯合交易所有限公司（「聯交所」）之平均收市價之80%（以較高者為準）。就二零零一年九月一日或之後授出之購股權而言，其行使價則為股份面值、股份於授出日期在聯交所之收市價或股份緊接授出日期前五個營業日在聯交所之平均收市價（以較高者為準）。購股權之行使期為自授出日後六個月起計最多達十年或二零零三年九月二十九日止（以較早者為準）。



**SHARE OPTION SCHEME (continued)**

**1993 Share Option Scheme (continued)**

During the year, movement of the options (which were unlisted and registered in the name of the director who is the beneficial owner) granted under the 1993 Share Option Scheme are as follows:

Director 董事	No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options lapsed during the year 年內失效之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價
Fan Yan Hok, Philip 范仁鶴	2,000,000	(2,000,000)	-	1 November 1997 一九九七年 十一月一日	1 May 1998 to 29 September 2003 一九九八年 五月一日至 二零零三年 九月二十九日	HK\$2.23 港幣2.23元

No option was granted, exercised or cancelled under the 1993 Share Option Scheme during the year.

**2003 Share Option Scheme**

The Company has a new share option scheme which was adopted on 26 May 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable six months (or a later date as determined by the directors of the Company) after the date on which the options are granted for a period up to ten years or 25 May 2013, whichever is earlier.

**購股權計劃 (續)**

**一九九三年購股權計劃 (續)**

年內，根據一九九三年購股權計劃授出之購股權（其並無上市，並以董事之姓名登記，而有關董事亦為實益擁有人）之變動詳情如下：

年內，並無任何購股權根據一九九三年購股權計劃獲授出、行使或註銷。

**二零零三年購股權計劃**

本公司設有一個購股權計劃，其於二零零三年五月二十六日採納。據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納可認購本公司股份之購股權。購股權之行使價為股份面值、股份於授出日期在聯交所之收市價及股份在緊接授出日期前五個營業日在聯交所之平均收市價三者中之較高者。購股權之行使期自授出後六個月（或本公司董事決定之較後日期）起計最多達十年或至二零一三年五月二十五日止（以較早者為準）。



## SHARE OPTION SCHEME (continued)

### 2003 Share Option Scheme (continued)

Securities available for issue under the 2003 Share Option Scheme as at 31 December 2003 were 254,831,170 shares (including options for 109,400,000 shares that have been granted but not yet lapsed or exercised which represented 4.29% of the issued share capital of the Company at 31 December 2003). In respect of the maximum entitlement of each participant under the 2003 Share Option Scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

Offer of an option shall be deemed to have been accepted when the letter comprising acceptance of the option duly signed by the grantee together with a remittance of HK\$1 is received from 28 days from the date of offer. The 2003 Share Option Scheme will be expired on 25 May 2013.

At 31 December 2003, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2003 is HK\$0.325) granted at nominal consideration under the 2003 Share Option Scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

## 購股權計劃 (續)

### 二零零三年購股權計劃 (續)

於二零零三年十二月三十一日，在二零零三年購股權計劃下可予發行之證券數目為254,831,170股（包括已授出惟尚未失效或行使涉及109,400,000股股份之購股權，佔本公司於二零零三年十二月三十一日之已發行股本4.29%）。就二零零三年購股權計劃下每名參與者可獲授權益上限而言，每名參與者在任何12個月期間內獲授之購股權予以行使時所獲發行及可獲發行之股份總數，不得超逾本公司已發行普通股1%。

在本公司於要約日期起計28日內接獲經由承授人正式簽署有關接納購股權之函件及港幣1元代價後，購股權要約即被視為已獲接納。二零零三年購股權計劃將於二零一三年五月二十五日屆滿。

於二零零三年十二月三十一日，本公司董事及僱員在可認購本公司股份之購股權中擁有下列權益（於二零零三年十二月三十一日之每股市值為港幣0.325元）。有關購股權乃根據本公司之二零零三年購股權計劃按象徵式代價授出。有關購股權並無上市。每股購股權賦予持有人認購一股本公司每股面值港幣0.1元之普通股之權利。

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

2003 Share Option Scheme (continued)

二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
<b>Directors</b> <b>董事</b>								
Wang Mingquan	王明權	-	12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	12,700,000	12,700,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

# Report of the Directors 董事會報告

## SHARE OPTION SCHEME (continued)

## 購股權計劃 (續)

### 2003 Share Option Scheme (continued)

### 二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Li Xueming	李學明	-	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Chen Xiaoping	陳小平	-	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	9,000,000	9,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

## SHARE OPTION SCHEME (continued)

## 購股權計劃 (續)

## 2003 Share Option Scheme (continued)

## 二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Fan Yan Hok, Philip	范仁鶴	-	5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	5,000,000	5,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Huang Chao-hua	黃朝華	-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

# Report of the Directors 董事會報告

## SHARE OPTION SCHEME (continued)

## 購股權計劃 (續)

### 2003 Share Option Scheme (continued)

### 二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Wong Kam Chung, Raymond	黃錦聰	-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Chen Shuang	陳爽	-	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

## SHARE OPTION SCHEME (continued)

## 購股權計劃 (續)

## 2003 Share Option Scheme (continued)

## 二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Zhang Weiyun	張衛云	-	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	2,000,000	2,000,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Sir David Akers-Jones	鍾逸傑爵士	-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

# Report of the Directors 董事會報告

## SHARE OPTION SCHEME (continued)

## 購股權計劃 (續)

### 2003 Share Option Scheme (continued)

### 二零零三年購股權計劃 (續)

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Lee Ka Sze, Carmelo	李嘉士	-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
Li Kwok Sing, Aubrey	李國星	-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
		-	500,000	500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元



SHARE OPTION SCHEME (continued)

購股權計劃 (續)

2003 Share Option Scheme (continued)

二零零三年購股權計劃 (續)

	No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價	Market value per share at date of grant of options* 於購股權 授出日期之 每股市值*
Employees 僱員	-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 March 2004 to 25 May 2013 二零零四年 三月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元
	-	4,500,000	4,500,000	29 September 2003 二零零三年 九月二十九日	29 September 2004 to 25 May 2013 二零零四年 九月二十九日至 二零一三年 五月二十五日	HK\$0.296 港幣0.296元	HK\$0.296 港幣0.296元

The options granted to directors are registered under the names of the directors who are also the beneficial owners. The closing price of the Company's ordinary shares immediately before the date of grant of options was HK\$0.29.

授予董事之購股權乃以董事之姓名登記，而彼等亦為實益擁有人。本公司普通股在緊接購股權授出日期前之收市價為港幣0.29元。

\* being weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted.

\* 即本公司普通股在緊接購股權授出日期前之加權平均收市價。

During the year, no option was exercised, lapsed or cancelled under the 2003 Share Option Scheme.

年內，並無任何購股權根據二零零三年購股權計劃獲行使、失效或註銷。

## SHARE OPTION SCHEME (continued)

## Share Option Scheme of CEL

At 31 December 2003, a director of the Company had the following interests in options to subscribe for shares of CEL which was granted under the Share Option Scheme of CEL.

		No. of options outstanding at the beginning of the year 年初 尚未行使之 購股權數目	No. of options granted during the year 年內授出之 購股權數目	No. of options outstanding at the year end 年終 尚未行使之 購股權數目	Date granted 授出日期	Period during which options exercisable 購股權 之行使期	Exercise price per share 每股行使價
Wang Mingquan	王明權	6,000,000	-	6,000,000	26 June 2002 二零零二年 六月二十六日	27 June 2003 to 26 December 2005 二零零三年 六月二十七日至 二零零五年 十二月二十六日	HK\$4.36 港幣4.36元
		-	3,000,000	3,000,000	7 July 2003 二零零三年 七月七日	8 July 2004 to 7 January 2007 二零零四年 七月八日至 二零零七年 一月七日	HK\$2.375 港幣2.375元

Apart from the foregoing, at no time during the year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The share options granted are not recognised in the financial statements until they are exercised. The value of the options depends on a number of factors such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The directors believe that any calculation of the value of the options as at the dates they were granted which are based on a great number of speculative assumptions would not be meaningful and would be misleading to the shareholders. Therefore the directors believe it is not appropriate to state herein the value of options granted.

## 購股權計劃 (續)

## 光大控股之購股權

於二零零三年十二月三十一日，本公司董事擁有下列根據光大控股購股權計劃授出可認購光大控股股份之購股權權益。

除上文所述者外，在本年度內任何時間，本公司、任何其控股公司、附屬公司或同系附屬公司並無參與任何安排，致使本公司之董事或主要行政人員或任何彼等之配偶或未滿十八歲之子女可藉購買本公司或任何其他法人團體之股份或債券而取得利益。

已授出之購股權在行使前不會在財務報表中確認。購股權之價值取決於多項因素，包括行使價、行使期、利率、預期波幅及其他有關變數。董事相信，於購股權授出日期根據大量推測性假設計算購股權價值並無意義，且會誤導股東。因此，董事認為不宜在年報內載列已授出購股權之價值。

**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

**主要股東及其他人士在股份及相關股份中擁有之權益及淡倉**

The Company has been notified of the following interests in the Company's issued shares at 31 December 2003 amounting to 5% or more of the ordinary shares in issue:

本公司獲得通知，於二零零三年十二月三十一日擁有本公司已發行股份之權益達已發行普通股5%或以上之股東如下：

		<b>Ordinary shares held 所持 普通股數目</b>	<b>Percentage of total issued shares 佔全部已發行 股份百分比</b>
China Everbright Holdings Company Limited ("CEH") (Note)	中國光大集團有限公司 ("光大集團") (附註)	1,758,595,910	approximately 69.01% 約 69.01%

*Note:* Out of the 1,758,595,910 shares, 1,758,215,910 shares are held by Guildford Limited ("Guildford"). Guildford is owned as to 55% by Datten Investments Limited ("Datten") and the remaining 45% by CEH. Datten is wholly-owned by CEH. The remaining 380,000 shares are held by Everbright Investment & Management Limited ("EIM"), a wholly-owned subsidiary of CEH. Accordingly, CEH is deemed to be interested in the 1,758,215,910 shares held by Guildford and the 380,000 shares held by EIM.

*附註：* 在 1,758,595,910 股股份中，其中 1,758,215,910 股乃由 Guildford Limited ("Guildford") 持有。Guildford 乃由 Datten Investments Limited ("Datten") 擁有 55% 股權，其餘 45% 則由光大集團持有。Datten 為光大集團之全資附屬公司。其餘 380,000 股則由光大集團之全資附屬公司光大投資管理有限公司 ("光大投資管理") 持有。故此，光大集團被視為擁有 Guildford 所持有之 1,758,215,910 股股份及光大投資管理所持有之 380,000 股股份。

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

除上文所述者外，本公司並無獲悉有其他必須記錄於依照證券及期貨條例第 336 條存置之登記冊內之權益。

#### **DIRECTORS' INTEREST IN CONTRACTS**

No contract of significance to which the Company, its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Woo, Kwan, Lee & Lo, a firm of solicitors of which Mr. Lee Ka Sze, Carmelo is a partner, rendered professional services to the Group during the year and received normal remuneration for such services.

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

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

#### **BANK LOANS AND OTHER BORROWINGS**

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2003 are set out in notes 23, 27(a) and 28 on the financial statements.

#### **FIVE YEAR 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 145 and 146 of the annual report.

#### **PROPERTIES**

Particulars of the major properties of the Group are shown on pages 147 and 148 of the annual report.

#### **董事於合約之權益**

於年結日或本年度內任何時間，本公司、其控股公司、附屬公司或同系附屬公司概無訂立任何本公司董事擁有重大利益之重要合約。

李嘉士先生為胡關李羅律師行之合夥人。於本年度內，胡關李羅律師行向本集團提供專業服務，並就該等服務收取一般費用。

#### **買賣或贖回本公司之上市證券**

於本年度內，本公司或其任何附屬公司概無購回、出售或贖回任何本公司上市證券。

#### **銀行貸款及其他借貸**

本公司及本集團於二零零三年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註二十三、二十七(a)及二十八。

#### **五年業績概要**

本集團過去五個財政年度之業績及資產與負債概要載於年報第一百四十五頁及第一百四十六頁。

#### **物業**

本集團所持有之主要物業詳情載於年報第一百四十七頁及第一百四十八頁。

## RETIREMENT SCHEMES

The Company provides retirement benefits to all local eligible employees under an approved defined contribution provident fund (“the ORSO Scheme”). The ORSO Scheme is administered by trustees, the majority of which are independent, with its assets held separately from those of the Company. The ORSO Scheme is funded by contributions from employees and employers at 5% each based on the monthly salaries of employees. Forfeited contribution may be used to reduce the existing level of contribution by the Company.

As from 1 December 2000, the Group also operates a Mandatory Provident Fund Scheme (“the MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the ORSO Scheme. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000.

The employees of the subsidiaries in the People’s Republic of China are members of the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is the required contributions under the schemes.

The Group’s total contributions to these schemes charged to profit and loss account during the year ended 31 December 2003 amounted to HK\$701,000.

## 退休計劃

本公司已為其所有本地合資格僱員設定認可定額公積金供款計劃（「職業退休計劃條例計劃」）。職業退休計劃條例計劃由信託人（大部份為獨立信託人）管理，其資產與本公司之資產分開持有。僱員及僱主均須就職業退休計劃條例計劃供款，分別為僱員月薪的5%。沒收供款可用作抵銷本公司現需承擔之供款。

自二零零零年十二月一日起，本集團亦根據香港強制性公積金計劃條例為受香港僱傭條例管轄且原先未包括在職業退休計劃條例計劃內之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及僱員各自須向計劃供款，供款額為僱員有關收入之5%，有關收入每月之上限為港幣20,000元。

中華人民共和國附屬公司之僱員均參與當地政府管理之退休計劃。該等附屬公司須按員工薪金之若干百分比向上述計劃作出供款。就此等計劃而言，本集團之唯一責任為根據此等計劃作出所需供款。

本集團於截至二零零三年十二月三十一日止年度內向此等計劃所作之總供款額為港幣701,000元，並已計入損益表內。

## FINANCIAL ASSISTANCE TO ASSOCIATE

At 31 December 2003, the Group provided the following financial assistance to an associate:

Name of company	公司名稱	Advance 墊款 HK\$'000 港幣千元	Corporate guarantee 公司擔保 HK\$'000 港幣千元
Hong Kong Shanghai Development Co Ltd. ("HK Shanghai") (Note 1)	港滙發展有限公司 ([港滙發展]) (附註一)	486,909	245

## Notes:

- (1) HK Shanghai, a company incorporated in Western Samoa with limited liability, is a joint venture company between the Company and three other independent third parties. The Group made the above advances and guarantee to HK Shanghai in proportion to the Group's interest in HK Shanghai, i.e. 25% of the issued share capital of HK Shanghai.
- (2) The Group's advances to HK Shanghai are unsecured and interest free.

The advances were made to HK Shanghai for working capital purposes and have no maturity dates for repayment. The corporate guarantee given was in respect of guarantees and undertakings executed by HK Shanghai to certain banks for end user financing purposes.

The source of funding for such advances is by way of the Group's internal funding and bank borrowings.

Save as disclosed above, the Group has no other matters to disclose under the provisions of Practice Note 19 of the Listing Rules.

## 向聯營公司提供財政資助

於二零零三年十二月三十一日，本集團向聯營公司提供以下財政資助：

Name of company	公司名稱	Advance 墊款 HK\$'000 港幣千元	Corporate guarantee 公司擔保 HK\$'000 港幣千元
Hong Kong Shanghai Development Co Ltd. ("HK Shanghai") (Note 1)	港滙發展有限公司 ([港滙發展]) (附註一)	486,909	245

## 附註：

- (一) 港滙發展乃一家於西薩摩亞註冊成立之有限公司，其為本公司與另外三個獨立第三者成立之合營公司。本集團按其於港滙發展所佔權益比例向港滙發展提供墊款及擔保，即港滙發展已發行股本之25%。
- (二) 本集團向港滙發展提供之墊款為無抵押及免息。

向港滙發展提供之墊款乃作為營運資金之用，並無還款期限。已作出之公司擔保乃關於港滙就最終用戶融資而向若干銀行簽立之擔保及保證書。

該等墊款之資金來自本集團之內部資金及銀行借款。

除上文所披露者外，根據上市規則第十九項應用指引之規定，本集團並無其他須予披露之事項。

**FINANCIAL ASSISTANCE TO ASSOCIATE** *(continued)*

An extract of the audited consolidated assets and liabilities of HK Shanghai is set out as follows:

		<i>HK\$'000</i> 港幣千元
Fixed assets <i>(Note 1)</i>	固定資產 (附註一)	2,054,600
Current assets	流動資產	42,629
Current liabilities	流動負債	(63,950)
Long term liabilities <i>(Note 2)</i>	長期負債 (附註二)	(2,114,785)
Minority interests	少數股東權益	(10,965)
		<hr/>
Net liabilities	負債淨額	<u>(92,471)</u>

*Notes:*

- (1) Fixed assets mainly comprise investment properties and properties under development.
- (2) Long term liabilities mainly comprise bank loans and loans from shareholders.

**向聯營公司提供財政資助 (續)**

港滬發展之經審核合併資產負債表之摘錄載列如下：

		<i>HK\$'000</i> 港幣千元
		2,054,600
		42,629
		(63,950)
		(2,114,785)
		(10,965)
		<hr/>
		<u>(92,471)</u>

*附註：*

- (一) 固定資產主要包括投資物業及發展中物業。
- (二) 長期負債主要包括銀行貸款及股東貸款。

**COMPLIANCE WITH THE CODE OF BEST PRACTICE**

The Company has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules except that independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation in accordance with the Company's Articles of Association.

**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.

**遵守最佳應用守則**

本公司於整個年度內均遵守聯交所上市規則附錄十四所載之最佳應用守則，惟獨立非執行董事乃根據本公司之公司章程細則依章輪值告退，而並非以固定任期獲委任者除外。

**核數師**

畢馬威會計師事務所任滿告退並願意膺選連任。本公司將於即將舉行之股東週年大會上提呈續聘畢馬威會計師事務所為本公司核數師之決議案。



## AUDIT COMMITTEE

The audit committee of the Company comprises Sir David Akers-Jones, Mr. Lee Ka Sze, Carmelo and Mr. Li Kwok Sing, Aubrey, who are independent non-executive directors. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2003.

By order of the board  
**Chen Xiaoping**  
*Chief Executive Officer*

Hong Kong, 14 April 2004

## 審核委員會

本公司的審核委員會成員包括獨立非執行董事鍾逸傑爵士、李嘉士先生及李國星先生。審核委員會已與管理層一同回顧本集團所採用之會計政策及慣例，並討論審計、內部監控及財務申報事宜（包括審閱本公司現公佈之截至二零零三年十二月三十一日止年度之經審核財務報表）。

承董事會命  
**陳小平**  
行政總裁

香港，二零零四年四月十四日