

董事會報告書

Report of the Directors

董事會欣然提呈Tristate Holdings Limited (「本公司」) 及其附屬公司 (統稱「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書連同經審核之賬目。

主要業務

本公司之主要業務為投資控股。其附屬公司之主要業務載列於賬目附註18。

按主要業務及市場劃分，本集團之營業額及經營(虧損)/溢利分析如下：

The Directors have pleasure in presenting this report together with the audited accounts of Tristate Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st December 2003.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are shown in note 18 to the accounts.

An analysis of the Group's turnover and contribution to (loss)/profit from operations by principal activities and markets is as follows:

		營業額		經營(虧損)/溢利	
		Turnover		Operating (loss)/profit	
		2003	2002	2003	2002
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
按主要業務劃分：	By principal activities:				
製衣	Garment manufacturing	1,970,454	1,717,159	(72,012)	56,654
貿易及零售	Trading and retailing	543,444	631,463	8,277	15,934
		2,513,898	2,348,622	(63,735)	72,588
按主要市場劃分：	By principal markets:				
美國	The United States	1,764,385	1,580,366		
亞洲	Asia	322,882	375,087		
歐洲	Europe	426,631	393,169		
		2,513,898	2,348,622		

業績及溢利分配

本集團截至二零零三年十二月三十一日止年度的業績載列於本年報第44頁之綜合損益表。

截至二零零三年十二月三十一日止年度並無宣佈派發中期股息(二零零二年：無)。董事會決議不派發截至二零零三年十二月三十一日止年度末期股息(二零零二年：每股港幣0.10元，合共港幣26,874,000元)。

Results and Appropriations

The results of the Group for the year ended 31st December 2003 are set out in the consolidated profit and loss account on page 44 of the annual report.

No interim dividend has been declared for the year ended 31st December 2003 (2002: Nil). The Directors have resolved not to declare final dividend for the year ended 31st December 2003 (2002: HK\$0.10 per share, totaling HK\$26,874,000).

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本公司將於二零零四年五月二十五日至二零零四年五月三十一日(包括首尾兩日)暫停辦理股份過戶登記手續，以確定股東身份是否有權出席於二零零四年五月三十一日舉行之本公司股東週年大會並於會上投票。

五年財務摘要

本集團於截至二零零三年十二月三十一日止五個財政年度之各年度綜合業績摘要及其綜合資產負債表載列於本公司之年報第29和30頁。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載列於賬目附註15。

附屬公司

本公司於二零零三年十二月三十一日之附屬公司詳情載列於賬目附註18。

聯營公司

本公司於二零零三年十二月三十一日之聯營公司詳情載列於賬目附註19。

股本

本公司股本的變動詳情載列於賬目附註28。

儲備

本集團和本公司於年內儲備變動情況載列於賬目附註30。

可供分配儲備

於二零零三年十二月三十一日，本公司有港幣431,020,000元之儲備(二零零二年：港幣431,020,000元)和港幣22,425,000元之保留溢利(二零零二年：港幣92,277,000元)可根據百慕達一九八一年公司法可分配予股東。

The register of members of the Company will be closed from 25th May 2004 to 31st May 2004, both days inclusive, in order to determine the identity of the members who are entitled to attend and vote at the annual general meeting of the Company to be held on 31st May 2004.

Five-Year Financial Summary

A summary of the consolidated results of the Group and its consolidated balance sheets for each of the five financial years ended 31st December 2003 are set out on pages 29 and 30 of the annual report.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the accounts.

Subsidiaries

Particulars of the Company's subsidiaries as at 31st December 2003 are set out in note 18 to the accounts.

Associated Companies

Particulars of the Company's associated companies as at 31st December 2003 are set out in note 19 to the accounts.

Share Capital

Details of the movements in share capital of the Company are set out in note 28 to the accounts.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 30 to the accounts.

Distributable Reserves

As at 31st December 2003, the Company's reserves amounted to HK\$431,020,000 (2002: HK\$431,020,000) and retained profits amounted to HK\$22,425,000 (2002: HK\$92,277,000) were available for distribution to its shareholders as calculated in accordance with the Companies Act 1981 of Bermuda.

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捐款

本集團於年內之慈善及其他捐款共達港幣238,000元 (二零零二年：港幣24,000元)。

購股權

本公司股東於一九九七年十一月二十八日舉行之股東特別大會上採納了一項購股權計劃，據此，本公司或其附屬公司全職僱員(包括執行董事)可獲授予認購本公司股份的購股權(「購股權計劃」)。購股權計劃之目的，乃供僱員透過該計劃購買本公司股份，使其有機會可分享本集團發展之成果，以及協助吸引和挽留優秀僱員。購股權計劃詳情概括如下：

參與者：本公司及／或其附屬公司之全職僱員(包括執行董事)

可供發行之股份總數和於年報日期其佔已發行股本之比例：20,994,025股(佔本公司已發行股本之7.81%)

各參與者可獲得的最高數量：不得超過購股權計劃下已發行和可發行股份總額之25%

根據購股權必須認購證券之期限：於購股權獲接納日期起計不超過三年，且於以下較早日期屆滿 (i)該期限之最後一日及(ii)一九九七年十一月二十八日起計十年期滿當日

Donations

Charitable and other donations made by the Group during the year amounted to HK\$238,000 (2002: HK\$ 24,000).

Share Options

A share option scheme was adopted by the shareholders of the Company at the special general meeting held on 28th November 1997, pursuant to which options may be granted to full-time employees (including executive directors) of the Company or its subsidiaries to subscribe for shares in the Company (the "Share Option Scheme"). The purposes of the Share Option Scheme are to provide employees with the opportunity of participating in the growth of the Group by acquiring shares in the Company and to assist in the attraction and retention of high quality employees. A summary of details of the Share Option Scheme is set out as follows:

Participants：Full-time employees (including executive directors) of the Company and/or any of its subsidiaries

Total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of annual report：20,994,025 shares representing 7.81% of the issued share capital of the Company

Maximum entitlement of each participant：Not exceeding 25% of the aggregate number of shares issued and issuable under the Share Option Scheme

Period within which the securities must be taken up under an option：Not exceeding three years from the date on which the option is accepted and expiring on the earlier of (i) the last day of such period and (ii) the date falling on the expiry of ten years from 28th November 1997

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<p>購股權行使之前 必須持有之最 短期限</p>	<p>：購股權可於董事會向各授予 者所發出的通知所規定的期 限內任何時間行使。董事會 亦可訂定在購股權可行使期 間行使購股權的限制</p>	<p>Minimum period for which an option must be held before it can be exercised</p>	<p>： An option may be exercised at any time during a period to be notified by the Board to each grantee. The Board may also provide restrictions on the exercises of an option during the period an option may be exercised.</p>
<p>接納購股權時須付 金額及必須或可 支付或通知付款 或償還因該目的 所作的貸款的期 限</p>	<p>：港幣1.00元，於邀約的二十八 天內</p>	<p>Amount payable on acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid</p>	<p>： HK\$1.00 within 28 days of offer</p>
<p>行使價格之釐定 基準</p>	<p>：認購價須由董事會釐定及不 低於(i)本公司股份面值及(ii)授 出購股權日期前五個交易日 在香港聯合交易所有限公司 (「聯交所」)股份買賣之平均收 市價之80%(以較高者為準)。</p>	<p>Basis of determining the exercise price</p>	<p>： The subscription price shall be determined by the Board and not less than the higher of (i) the nominal value of a share of the Company and (ii) 80% of the average of the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the five trading days immediately preceding the date of grant of the options on which there were dealings in the shares on the Stock Exchange.</p>
<p>購股權計劃尚餘之 有效期</p>	<p>：購股權計劃自一九九七年十 一月二十八日起計十年有效</p>	<p>Remaining life of the Share Option Scheme</p>	<p>： The Share Option Scheme will remain in force for a period of ten years from 28th November 1997.</p>

自二零零一年九月一日起，聯交所要求購股權的行使價為不低於於授出日期於聯交所股份收市價及於緊接授出日期前五個交易日於聯交所股份平均收市價的較高者。截至本報告日期，本公司並無於二零零一年九月一日或以後授出任何購股權。

With effect from 1st September 2001, the Stock Exchange requires that the exercise price of options to be at least the higher of the closing price of the shares on the Stock Exchange on the date of grant and the average closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the date of this report, the Company has not granted any options on or after 1st September 2001.

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於年內，根據購股權計劃尚未行使之的購股權如下：

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

承授人之 類別 Type of Grantee	授出日期(i) Date of grant (i)	行使期間 (包括首尾兩天) Exercise period (both days Inclusive)	每股行使 價格(ii) Exercised price per share (ii)	購股權數量 Number of share options				
				於二零零三年 一月一日 餘額 Balance as at 1st January 2003	年內授出 Granted during the year	年內行使 Exercised during the year	年內取消/ 失效 Cancelled/ lapsed during the year	於二零零三年 十二月 三十一日 餘額 Balance as at 31st December 2003
僱員 Employees	二零零零年 五月二十二日 22nd May 2000	二零零一年 五月二十二日 至二零零三年 五月三十一日 22nd May 2001 to 31st May 2003	1.20	1,000,000	—	—	1,000,000	—

港幣
HK\$

附註：

Notes:

- 於接納購股權時，承授人須向本公司支付港幣1元作為授予購股權之代價。
- 倘本公司之股本結構有任何變動，購股權之行使價須作出相應調整。

- Upon acceptance of the options, HK\$1.00 is paid by the grantee to the Company by way of consideration for the grant.
- The exercise price of the share options is subject to adjustment in the event of any alteration in the capital structure of the Company.

於年內，1,000,000份購股權因行使期屆滿而失效。

During the year, 1,000,000 share options granted lapsed as the exercise period had expired.

除以上披露者外，於年內並無購股權被行使、取消或失效。

Save as disclosed above, no share options were exercised, cancelled or lapsed during the year.

於截至二零零三年十二月三十一日止年度內並無授出任何購股權，因此毋須對授出購股權作價值評估。

No share options were granted during the year ended 31st December 2003 and accordingly, valuation of share options granted was not necessary.

本公司購股權的變動詳情亦載列於賬目附註29。

Details of the movements in share options of the Company are also set out in note 29 to the accounts.

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收購股份或債券之安排

除於本報告「購股權」一節及於賬目附註29內所披露者外，本公司、其附屬公司、其同系附屬公司或其控股公司於年內之任何時間概無訂立任何安排，致使本公司董事藉此購入本公司或其他機構之股份或債券之權益而獲益。

董事

於年內及截至本報告日期止之本公司董事會成員為：

執行董事：

汪建中先生 (主席兼行政總裁)

吳清河先生

羅澤華先生

非執行董事：

汪顯亦珍女士 (榮譽主席)

唐文瑛女士

麥汪詠宜女士

汪穗中先生

唐驪千先生

唐裕年先生

獨立非執行董事：

袁正文先生

羅啟耀先生

孔捷思先生

根據本公司細則第85及86條，吳清河先生、麥汪詠宜女士及羅澤華先生輪值告退。吳清河先生及麥汪詠宜女士符合資格並願於本公司即將舉行之股東週年大會上膺選連任。羅澤華先生已知會本公司彼不擬於即將舉行之股東週年大會上膺選連任。

Arrangement to Acquire Shares or Debentures

Save as disclosed in the section headed "Share Options" of this report and in note 29 to the accounts, at no time during the year was the Company, its subsidiaries, its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors

The Directors of the Company who held office during the year and up to the date of this report were:

Executive Directors:

Mr. Wang Kin Chung, Peter (*Chairman and Chief Executive Officer*)

Mr. Wu Ching Her

Mr. Lo Chak Wa

Non-Executive Directors:

Ms. Wang Koo Yik Chun (*Honorary Chairlady*)

Ms. Leslie Tang Schilling

Ms. Mak Wang Wing Yee, Winnie

Mr. Wang Shui Chung, Patrick

Mr. Tang Liu Chien, Oscar

Mr. Tang Yue Nien, Martin

Independent Non-Executive Directors:

Mr. Yuan Ching Man, James

Mr. Lo Kai Yiu, Anthony

Mr. James Christopher Kralik

In accordance with Bye-Laws 85 and 86 of the Company's Bye-Laws, Mr. Wu Ching Her, Ms. Mak Wang Wing Yee, Winnie and Mr. Lo Chak Wa retire by rotation. Mr. Wu Ching Her and Ms. Mak Wang Wing Yee, Winnie being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Mr. Lo Chak Wa has notified the Company that he will not offer himself for re-election at the forthcoming annual general meeting.

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董事及高層管理人員之履歷

於本報告日期，董事及高層管理人員之履歷簡介載於本年報第9至13頁。

董事服務合約

於本公司即將舉行的股東週年大會上願膺選連任之董事概無與本公司或其任何附屬公司簽訂一年內不能終止且須作出賠償(法定賠償除外)之服務合約。

董事於重大合約中之權益

於本年度結算日或本年內之任何時間，沒有訂立與本集團業務有關、或由本公司、其附屬公司、同系附屬公司或控股公司參與而本公司董事或管理層成員直接或間接擁有重大利益之重要合約。

董事於競爭業務之權益

汪顧亦珍女士和汪建中先生是 Hua Thai Manufacturing Public Company Limited (「Hua Thai」) 及其若干附屬公司之董事。Hua Thai是本公司持有36.43%之聯營公司，該公司及其附屬公司均從事製衣和貿易業務，其股份在泰國證券交易所上市。

汪建中先生是Triskele Company Limited (「Triskele」) 之董事。Triskele是本公司持有20%之聯營公司，該公司從事成衣及一般貿易業務。

由於汪顧亦珍女士和汪建中先生是Hua Thai及其若干附屬公司之董事，而汪建中先生是Triskele之董事，他們被視為在本集團以外之業務擁有權益，而該業務直接或間接地與本集團之業務競爭或可能構成競爭，根據聯交所證券上市規則(「上市規則」)第八章第8.10條，此權益必須在本公司年報內披露。

Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management as at the date of this report are set out on pages 9 to 13 of the annual report.

Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts of Significance

No contracts of significance in relation to the Group's businesses to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which any of the Company's Directors or members of its management had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Businesses

Ms. Wang Koo Yik Chun and Mr. Wang Kin Chung, Peter are directors of Hua Thai Manufacturing Public Company Limited ("Hua Thai") and certain of its subsidiaries. Hua Thai is a 36.43% held associated company of the Company and, together with its subsidiaries, are engaged in garment manufacturing and trading businesses. The shares of Hua Thai are listed on the Stock Exchange of Thailand.

Mr. Wang Kin Chung, Peter is a director of Triskele Company Limited ("Triskele"). Triskele is a 20% held associated company of the Company and is engaged in garment and general trading business.

By virtue of Ms. Wang Koo Yik Chun's and Mr. Wang Kin Chung, Peter's directorships in Hua Thai and certain of its subsidiaries; and Mr. Wang Kin Chung, Peter's directorship in Triskele, they are considered to be interested in the businesses apart from the Group's business, which compete or are likely to compete, directly or indirectly, with the Group's business and are required to disclose such interests in the Company's annual report under Rule 8.10 in Chapter 8 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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董事之證券權益

於二零零三年十二月三十一日，本公司各董事及最高行政人員於本公司及其相聯法團(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，已根據證券及期貨條例第352條規定在本公司保管的登記冊中記錄，或根據上市規則上市公司附錄十內上市公司董事進行證券交易的標準守則(「標準守則」)之規定已知會本公司及聯交所之權益及淡倉如下：

於本公司之股份權益

Directors' Interests in Securities

As at 31st December 2003, the interests and short positions of each Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under Appendix 10 of the Listing Rules (“Model Code”) were as follows:

Interests in shares of the Company

董事姓名 Name of Director	好倉／淡倉 Long/short position	持有股數 Number of shares held				總數 Total	佔已發行股本 之百分比 Percentage of issued share capital
		個人權益 Personal interests	家族權益 Family interests	公司權益 Corporate interests	其他權益 Other interests		
汪建中先生 Mr. Wang Kin Chung, Peter	好倉 Long position	—	—	138,260,000 (a)	12,069,445 (l)	150,329,445	55.94%
吳清河先生 Mr. Wu Ching Her	好倉 Long position	2,636,289	—	—	—	2,636,289	0.98%
汪顯亦珍女士 Ms. Wang Koo Yik Chun	好倉 Long position	—	—	—	1,537,000 (b)	1,537,000	0.57%
唐裕年先生 Mr. Tang Yue Nien, Martin	好倉 Long position	52,338,047 (c, d, i 及j) (c, d, i and j)	—	—	13,966,514 (d)	52,338,047	19.48%
唐文瑛女士 Ms. Leslie Tang Schilling	好倉 Long position	—	4,312,193 (e及i) (e and i)	—	—	4,312,193	1.60%

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於Hua Thai之股份權益

Interests in shares of Hua Thai

董事姓名 Name of Director	好倉／淡倉 Long/short position	持有股數 Number of shares held			佔已發行股本 之百分比 Percentage of issued share capital
		個人權益 Personal interests	家族權益 Family interests	總數 Total	
汪建中先生 Mr. Wang Kin Chung, Peter	好倉 Long position	—	1,085,800 (m)	1,085,800	10.86%
汪顧亦珍女士 Ms. Wang Koo Yik Chun	好倉 Long position	7,500 (n)	2,500	10,000	0.10%

除上文所披露者外，於二零零三年十二月三十一日，本公司各董事或最高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第XV部），持有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例董事被當作或視為持有之權益及淡倉），(ii)根據證券及期貨條例第352條規定在本公司保管的登記冊中記錄，或(iii)根據標準守則之規定知會本公司及聯交所之股份、相關股份或債券之權益或淡倉。

Save as disclosed above, as at 31st December 2003, none of the Directors or chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or associated corporation (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which a Director was taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

董事會報告書 Report of the Directors

主要股東

依本公司根據證券及期貨條例第336條規定保管之登記冊所載，於二零零三年十二月三十一日，本公司獲知會下列股東（並非本公司董事或最高行政人員）按證券及期貨條例第XV部第2及第3分部向本公司披露持有或視為持有本公司股份、債券或相關股份之權益或淡倉。該等權益乃附加於上文「董事之證券權益」一節所披露有關本公司董事及最高行政人員之權益。

Substantial Shareholders

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31st December 2003, the Company had been notified that the following shareholders (not being Directors or chief executive of the Company) were interested, or were deemed to be interested, in the following interests and/or short positions in the shares, debentures or underlying shares of the Company, notifiable to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO. These interests are in addition to those disclosed in the section "Directors' Interests in Securities" above in respect of the Directors and chief executive of the Company.

股東名稱 Name of shareholder	好倉／淡倉 Long/short position	持有股數 Number of shares held				其他權益 Other interests	總數 Total	佔已發行股本 百分比 Percentage of issued share capital
		個人權益 Personal interests	家族權益 Family interests	被視為之權益 Deemed interests				
Silver Tree Holdings Inc.	好倉 Long position	—	—	—	138,260,000	138,260,000	51.45%	
					(a)			
丁岱曦女士 Ms. Daisy Ting	好倉 Long position	—	138,260,000	—	—	138,260,000	51.45%	
			(o)					
唐驥千先生 Mr. Tang Chi Chien, Jack	好倉 Long position	7,769,953	4,299,492	138,260,000	7,769,953	150,329,445	55.94%	
		(g)	(f及j) (f and j)	(k)	(g)			
Bermuda Trust (New Zealand) Limited	好倉 Long position	—	—	—	75,648,500	75,648,500	28.15%	
					(c,d,e,f,g 及 h) (c,d,e,f,g and h)			

董事會報告書 Report of the Directors

除上文所披露者外，於二零零三年十二月三十一日，本公司董事或最高行政人員概無知悉其他人士（本公司董事或最高行政人員除外）持有根據證券及期貨條例第XV部第2及3分部須向本公司披露，或根據證券及期貨條例第336條規定登載於在本公司保管的登記冊內之股份或相關股份之權益或淡倉。

董事之證券權益及主要股東之附註（於二零零三年十二月三十一日之資料）：

- a. 138,260,000股股份由汪建中先生全資擁有之公司 Silver Tree Holdings Inc.實益持有。
- b. Euroworld Trustee Holdings Corporation以一項單位信託之信託人身份持有1,379,000股股份，該單位信託之單位由一項全權信託持有，該全權信託之受益對象包括汪顧亦珍女士。158,000股股份由Main World Investment Limited持有，Main World Investment Limited之全部已發行股本由同一單位信託實益擁有。
- c. Bermuda Trust (New Zealand) Limited以一項全權信託之信託人身份持有38,371,533股股份，唐裕年先生是這全權信託之受益人。
- d. Bermuda Trust (New Zealand) Limited與唐裕年先生以多項全權信託之共同信託人身份持有13,966,514股股份，唐裕年先生是這些全權信託之受益人。
- e. Bermuda Trust (New Zealand) Limited以一項全權信託之共同信託人身份持有4,312,193股股份，唐文瑛女士之未成年子女是這項全權信託之受益人。
- f. Bermuda Trust (New Zealand) Limited以一項全權信託之共同信託人身份持有4,299,492股股份，唐驥千先生之配偶是這項全權信託之受益人。
- g. Bermuda Trust (New Zealand) Limited與唐驥千先生以一項全權信託之共同信託人身份持有7,769,953股股份，唐驥千先生是這全權信託之受益人。
- h. Bermuda Trust (New Zealand) Limited以多項全權信託之信託人身份持有75,648,500股股份，而所有股份均以其代理人公司Somers Nominees (Far East) Limited之名義登記。

Save as disclosed above, as at 31st December 2003, no other person (other than a Director or chief executive of the Company) known to any Director or chief executive of the Company had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Notes to Directors' Interests in Securities and Substantial Shareholders (information as at 31st December 2003):

- a. 138,260,000 shares were beneficially owned by Silver Tree Holdings Inc., a company wholly-owned by Mr. Wang Kin Chung, Peter.
- b. 1,379,000 shares were held by Euroworld Trustee Holdings Corporation as trustee of a unit trust, units of which were held by a trust, the discretionary objects of which included Ms. Wang Koo Yik Chun. Another 158,000 shares were held by Main World Investment Limited, the entire issued share capital of which was beneficially owned by the same unit trust.
- c. Bermuda Trust (New Zealand) Limited held 38,371,533 shares as trustee of a trust of which Mr. Tang Yue Nien, Martin was a discretionary beneficiary.
- d. Bermuda Trust (New Zealand) Limited held 13,966,514 shares as co-trustee with Mr. Tang Yue Nien, Martin of various trusts of which Mr. Tang Yue Nien, Martin was a discretionary beneficiary.
- e. Bermuda Trust (New Zealand) Limited held 4,312,193 shares as co-trustee of a trust of which Ms. Leslie Tang Schilling's children were discretionary beneficiaries.
- f. Bermuda Trust (New Zealand) Limited held 4,299,492 shares as co-trustee of a trust of which Mr. Tang Chi Chien, Jack's spouse was a discretionary beneficiary.
- g. Bermuda Trust (New Zealand) Limited held 7,769,953 shares as co-trustee with Mr. Tang Chi Chien, Jack of a trust, of which Mr. Tang Chi Chien, Jack was a discretionary beneficiary.
- h. Bermuda Trust (New Zealand) Limited held 75,648,500 shares as trustees for various trusts and all the shares were registered in the name of its nominee company, Somers Nominees (Far East) Limited.

董事會報告書 Report of the Directors

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|---|--|
| <p>i. 唐裕年先生持有之4,312,193股股份與唐文瑛女士所擁有之家族權益重疊。</p> | <p>i. 4,312,193 shares held by Mr. Tang Yue Nien, Martin overlap that of family interests of Ms. Leslie Tang Schilling.</p> |
| <p>j. 唐裕年先生持有之4,299,492股股份與唐驥千先生所擁有之家族權益重疊。</p> | <p>j. 4,299,492 shares held by Mr. Tang Yue Nien, Martin overlap that of family interests of Mr. Tang Chi Chien, Jack.</p> |
| <p>k. 根據證券及期貨條例第317條，唐驥千先生被視為於汪建中先生所持有本公司之股本證券權益中擁有權益，該等股本證券為由汪建中先生全資擁有之公司Silver Tree Holdings Inc.所持有之138,260,000股股份(參閱附註a)。</p> | <p>k. By virtue of Section 317 of the SFO, Mr. Tang Chi Chien, Jack was taken to be interested in the interest of Mr. Wang Kin Chung, Peter in the equity securities of the Company, namely 138,260,000 shares which were held by Silver Tree Holdings Inc., a company wholly-owned by Mr. Wang Kin Chung, Peter (see Note a).</p> |
| <p>l. 根據證券及期貨條例第317條，汪建中先生被視為於唐驥千先生所持有本公司之股本證券權益中擁有權益，該等股本證券為家族權益4,299,492股股份(參閱附註f及j)，以及個人和其他權益7,769,953股股份(參閱附註g)。</p> | <p>l. By virtue of Section 317 of the SFO, Mr. Wang Kin Chung, Peter was taken to be interested in the interest of Mr. Tang Chi Chien, Jack, in the equity securities of the Company, namely the family interests of 4,299,492 shares (see Notes f and j) and the personal and other interests of 7,769,953 shares (see Note g).</p> |
| <p>m. Hua Thai之1,085,800股股份由汪建中先生之配偶丁岱曦女士持有。</p> | <p>m. 1,085,800 shares were held by Ms. Daisy Ting, the spouse of Mr. Wang Kin Chung, Peter, in Hua Thai.</p> |
| <p>n. Hua Thai之7,500股股份由汪顧亦珍女士持有，而2,500股股份則由其已故配偶汪松亮先生持有。</p> | <p>n. 7,500 shares were held by Ms. Wang Koo Yik Chun and 2,500 shares were held by the late Mr. Wang Seng Liang, the spouse of Ms. Wang Koo Yik Chun, in Hua Thai.</p> |
| <p>o. 138,260,000股股份由丁岱曦女士之配偶汪建中先生全資擁有之公司Silver Tree Holdings Inc.實益持有(參閱附註a)。</p> | <p>o. 138,260,000 shares were beneficially owned by Silver Tree Holdings Inc., a company wholly-owned by Mr. Wang Kin Chung, Peter (see Note a), the spouse of Ms. Daisy Ting.</p> |

標準守則

本公司經已採納不遜於標準守則中載列有關董事進行證券交易的規則所要求之準則。經向所有董事明確查詢後，董事已符合標準守則載列之要求準則及董事進行證券交易的規則。

優先認股權

於本公司細則中並無優先認購權之規定，而根據百慕達法例並無限制該權利，使本公司須按現有股東股份比例發售新股份。

Model Code

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. After having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding securities transaction by Directors.

Pre-emptive Rights

There was no provision for pre-emptive rights under the Company's Bye-Laws and there was no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事會報告書 Report of the Directors

購買、出售或贖回股份

於年內本公司並無贖回其任何股份。本公司及其任何附屬公司於年內均無購買或出售本公司之股份。

管理階層合約

本年度內，本集團並無簽訂或存有任何有關本集團全盤業務或其中任何重大部份之管理及行政合約。

公眾持股量

於二零零四年四月二十三日根據已公開之資料及董事會所知，本公司截至二零零三年十二月三十一日止年度已符合上市規則公眾持股量之要求。

主要客戶和供應商

本集團前五名客戶之銷售量共佔總營業額約35% (二零零二年：34%)。前五名供應商佔本年度總採購額約28% (二零零二年：29%)。此外，本年度本集團最大客戶之銷售量佔總營業額約10% (二零零二年：10%)，而最大供應商佔總採購額約16% (二零零二年：20%)。

本集團之聯營公司Hua Thai及其附屬公司(統稱「Hua Thai集團」)是本集團上述五大供應商之一。本集團與Hua Thai集團的交易詳情載列於賬目附註33。本公司主席兼行政總裁汪建中先生的家族成員及親屬在Hua Thai有實際權益。董事會認為，上述交易的條件並不優於提供給其他獨立第三者的條件。

除以上所述，於年內並無任何董事、董事之聯繫人士，或據董事會所知持有本公司股本超過5%之股東，擁有本集團五大客戶和／或五大供應商之實際權益。

Purchase, Sale or Redemption of Shares

The Company had not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the year.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Public Float

On the basis of information that is publicly available to the Company and within the knowledge of the Directors as at 23rd April 2004, the Company has complied with the public float requirements of the Listing Rules for the financial year ended 31st December 2003.

Major Customers and Suppliers

The Group's top five customers accounted for approximately 35% (2002: 34%) of the total sales. The top five suppliers accounted for approximately 28% (2002: 29%) of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 10% (2002: 10%) of the total sales and the Group's largest supplier accounted for approximately 16% (2002: 20%) of the total purchases for the year.

Hua Thai, an associated company of the Group, and its subsidiaries (collectively known as the "Hua Thai Group") is one of the five largest suppliers of the Group referred to above. Details of transactions between the Group and Hua Thai Group are set out in note 33 to the accounts. A number of family members and relatives of Mr. Wang Kin Chung, Peter, the Chairman and Chief Executive Officer of the Company, have beneficial interests in Hua Thai. In the opinion of the Directors, such transactions were carried out on terms no more favourable than terms available to independent third parties.

Save as aforementioned, none of the Directors, their associates, or any shareholders which, to the knowledge of the Directors, own more than 5% of the Company's share capital, have, at any time during the year, a beneficial interest in any one of the Group's top five customers and/or suppliers.

董事會報告書 Report of the Directors

關連交易

於二零零三年四月一日，本公司之全資附屬公司華孚製衣廠有限公司（「華孚」）與TDB Company Limited（「TDB」）簽訂租賃協議，有關租用新界葵涌梨木道66-72號德大工業大廈地下及二樓至十一樓（「該物業」）（「租賃協議」）。TDB之大部份股份乃由一項全權信託間接持有，而本公司之一名董事汪頤亦珍女士則為該全權信託之其中一位合資格受益人。根據上市規則第十四章，租賃協議構成本公司之一項關連交易。

租賃協議之詳情如下：

年期：兩年（由二零零三年四月一日起至二零零五年三月三十一日止），可選擇再續期兩年，租金則由TDB與華孚商定

月租：港幣371,435元（不包括管理費用、差餉及地租）

該物業面積：約148,574平方呎（樓面面積）

該物業用途：用作為本集團之工廠、寫字樓及倉庫。

租賃協議之條款乃經華孚與TDB按公平原則磋商釐定，並根據獨立估值師行戴德梁行有限公司於二零零三年三月二十四日確認該物業目前之市值租金後計算。董事會（包括本公司之獨立非執行董事）認為，租賃協議之條款乃一般商業條款及公平合理，並符合本公司全體股東之利益。

本集團根據租賃協議於兩年期間支付之租金總額（為數港幣8,914,440元）佔本集團有形資產賬面淨值港幣691,424,000元（誠如本公司於二零零三年三月三十一日就其截至二零零二年十二月三十一日止年度全年業績刊發之公佈所示）少於3%，故租賃協議毋須獲得本公司獨立股東批准。

Connected Transaction

On 1st April 2003, Hwa Fuh Manufacturing Company (Hong Kong) Limited (“Hwa Fuh”), a wholly-owned subsidiary of the Company, entered into a tenancy agreement with TDB Company Limited (“TDB”), in relation to the rental of the premises at Ground and 2nd to 11th Floors, Tak Dah Industrial Building, 66-72 Lei Muk Road, Kwai Chung, New Territories (the “Premises”) (the “Tenancy Agreement”). TDB is a company with a majority of its shares being indirectly held by a discretionary trust of which Ms. Wang Koo Yik Chun, a Director of the Company, is an eligible beneficiary. The Tenancy Agreement constituted a connected transaction for the Company under Chapter 14 of the Listing Rules.

Details of the Tenancy Agreement were as follows:

Term: Two years (commencing from 1st April 2003 to 31st March 2005) with an option to renew and extend for two further years at a rent to be agreed between TDB and Hwa Fuh.

Monthly rental: HK\$371,435 (excluding management fee, government rates and government rent)

Area of the Premises: Approximately 148,574 sq.ft. (gross floor area)

Use of the Premises: Occupied by the Group as factory, office and warehouse premises.

The terms of the Tenancy Agreement were arrived at after arms-length negotiations between Hwa Fuh and TDB and were based on the confirmation from DTZ Debenham Tie Leung Limited, a firm of independent valuers, on 24th March 2003, of the current market rental of the Premises. The Board of Directors (including the Independent Non-Executive Directors of the Company) considered the terms of the Tenancy Agreement to be normal commercial terms and were fair and reasonable and in the interests of all shareholders of the Company.

As the aggregate rental payable by the Group pursuant to the Tenancy Agreement for the two-year term (in the amount of HK\$8,914,440) represents less than 3% of the book value of the net tangible assets of the Group in the amount of HK\$691,424,000 (as shown in the Company's announcement dated 31st March 2003 of its annual results for the year ended 31st December 2002), the Tenancy Agreement was not subject to the approval by the Company's independent shareholders.

董事會報告書 Report of the Directors

上述交易之進一步資料已載於本公司二零零三年四月一日發出之公告內。

Further details of the transaction were set out in the announcement of the Company dated 1st April 2003.

最佳應用守則

本公司於年內已遵守上市規則附錄十四所列之最佳應用守則(「最佳應用守則」)，惟本公司所有董事(主席及榮譽主席除外)均須依照本公司之細則規定輪值告退，因此非執行董事並無指定之委任年期。

Code of Best Practice

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules (the “Code of Best Practice”), except that Non-Executive Directors were not appointed for specific terms since all Directors of the Company (other than the Chairman and the Honorary Chairlady) are subject to retirement by rotation in accordance with the Company’s Bye-Laws.

審核委員會

根據最佳應用守則，本公司自一九九八年成立審核委員會，由兩名獨立非執行董事羅啟耀先生和袁正文先生及一名非執行董事麥汪詠宜女士組成(「審核委員會」)。審核委員會之主要職責為審閱本公司財務報告的完整性、準確性和是否公平，以及本公司內部監控系統之有效性。於年內，審核委員會舉行了三次會議。

Audit Committee

The Company has established an audit committee since 1998 comprising two Independent Non-Executive Directors, Messrs. Lo Kai Yiu, Anthony and Yuan Ching Man, James, and one Non-Executive Director, Ms. Mak Wang Wing Yee, Winnie (the “Audit Committee”) in accordance with the Code of Best Practice. The principal duties of the Audit Committee include the review of the completeness, accuracy and fairness of the Company’s financial reports and the effectiveness of the Company’s internal control system. During the year, three meetings of the Audit Committee have been held.

核數師

本賬目已經羅兵咸永道會計師事務所審核，該核數師任滿告退，惟願應聘連任。

Auditors

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

安達信公司為本公司二零零一年十二月三十一日止年度之核數師。

Arthur Andersen & Co were auditors of the Company for the year ended 31st December 2001.

董事會代表

汪建中

主席兼行政總裁

On behalf of the Board

Wang Kin Chung, Peter

Chairman and Chief Executive Officer

香港，二零零四年四月二十三日

Hong Kong, 23rd April 2004