

# DIRECTORS' REPORT

## 董事會報告

The directors of the Company (the "Directors") submit herewith their report together with the audited accounts of the Company and the Group for the year ended 31 December 2003.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the provision of financial services including broking, securities margin financing, corporate finance and asset management, money lending, investment trading and holding.

### SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 13 to the accounts.

### RESULTS

The results 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 accounts on pages 27 to 78.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2003.

### SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 23 to the accounts.

### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 25 to the accounts respectively.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, turnover attributable to the Group's five largest customers accounted for less than 30% of the total turnover for the year.

本公司董事（「董事」）全人謹將本公司及本集團截至二零零三年十二月三十一日止年度之年報及經審核賬目呈覽。

### 主要業務

本公司之主要業務為投資控股。附屬公司之主要業務為提供金融服務，包括經紀業務、證券孖展融資、企業融資及資產管理、貸款、投資買賣及控股。

### 附屬公司

本公司主要附屬公司之詳情列載於賬目附註13。

### 業績

本集團截至二零零三年十二月三十一日止年度之業績及本公司與本集團於當日之財政狀況載於第27至78頁之賬目。

董事不建議派發截至二零零三年十二月三十一日止年度之任何股息。

### 股本

年內本公司股本變動詳情列載於賬目附註23。

### 儲備

年內本集團及本公司儲備變動詳情分別列載於綜合權益變動表及賬目附註25。

### 主要客戶及供應商

於回顧年度，五大客戶所佔本集團營業額不足全年總營業額的30%。

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

The Group is a provider of financial services. In the opinion of the Directors, it is therefore of no value to disclose details of the Group's suppliers.

由於本集團為金融服務商，董事認為披露本集團供應商資料並無參考價值。

### FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 12 to the accounts.

### 固定資產

年內固定資產之變動詳情列載於賬目附註12。

### DIRECTORS

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

### 董事

本財政年度內及截至本報告日期止，董事會成員如下：

#### Executive Directors

To Shu Fai (*Chairman*)  
Chan How Chung, Victor  
Lee Huei Lin, Elizabeth

#### 執行董事

杜樹輝 (主席)  
陳孝聰  
李慧玲

#### Independent Non-executive Directors

Heng Kwoo Seng  
Choy Hok Man, Constance (resigned on 29 February 2004)  
Yuen Wai Ho (appointed on 8 April 2004)

#### 獨立非執行董事

邢詒春  
蔡學雯 (於二零零四年二月二十九日辭任)  
阮煒豪 (於二零零四年四月八日獲委任)

In accordance with bye-law 99 of the bye-laws of the Company, Miss Lee Huei Lin, Elizabeth retires and, being eligible, offers herself for re-election at the forthcoming annual general meeting.

根據本公司之公司細則第99條，李慧玲小姐依章告退，惟合資格並願意在即將召開之股東週年大會上膺選連任。

In accordance with bye-law 102(B) of the bye-laws of the Company, Mr Yuen Wai Ho retires and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

根據本公司之公司細則第102(B)條，阮煒豪先生依章告退，惟合資格並願意在即將召開之股東週年大會上膺選連任。

### DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election and re-appointment 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 compensation.

### 董事之服務合約

擬在即將召開之股東週年大會上膺選連任之董事概無與本公司或任何附屬公司訂立如不作出賠償(法定賠償除外)則不能於一年內終止之服務合約。

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

### DIRECTORS' INTERESTS IN CONTRACTS

Details of the Directors' interests in contracts are set out in note 30 to the accounts.

Save as disclosed above, no other contracts of significance to which the Company, its holding companies, its fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, subsisted at the end of the year or at any time during the year.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2003, the interests or short positions of the Directors and chief executives and their associates in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

#### Long position in the shares of HK\$0.01 each (the "Shares")

### 董事所佔合約權益

董事所佔合約權益之詳情列載於賬目附註30。

除上文所披露者外，本公司、其控股公司、同系附屬公司或任何附屬公司在年終時或本年度內任何時間，概無訂立任何令董事擁有重大權益之重要合約。

### 董事及主要行政人員所佔證券權益

於二零零三年十二月三十一日，董事及本公司主要行政人員及彼等之聯繫人士於本公司之股份中擁有根據證券及期貨條例（「證券及期貨條例」）第352條須記錄在本公司存置之名冊上之權益及淡倉或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

#### 於每股面值0.01港元股份（「股份」）之好倉

Name of Director 董事姓名	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行 股本百分比
To Shu Fai 杜樹輝	1,998,805,635 (Note 1) (附註1)	Interest of a controlled corporation 受控制公司權益	66.63%
Chan How Chung, Victor 陳孝聰	2,038,430,550 (Note 2) (附註2)	Interest of a controlled corporation 受控制公司權益	67.95%

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

### Notes:

1. These Shares were held by Kingly Profits Corporation. Mr To Shu Fai indirectly held 80% of the beneficial interest in Kingly Profits Corporation. Therefore the interest disclosed herein was deemed to be the corporate interest of Mr To.
2. Mr Chan How Chung, Victor was taken to be interested in (i) 1,888,430,550 Shares by way of his associate's interest in a share charge over such Shares; and (ii) 150,000,000 Shares which were beneficially held by Smart Ease Corporation, a company wholly owned by Mr Chan.

Save as disclosed above, as at 31 December 2003, none of the Directors or chief executives, nor their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTIONS

The following is a summary of the principal terms of the share option scheme adopted by the Company on 22 November 2002 (the "Scheme").

The purpose of the Scheme is to enable the Company to grant options to executives and employees of the Group and other persons who have made contributions to the Group as incentives and/or rewards for their contributions to the Company or its subsidiaries.

According to the Scheme, the Board may grant options to the eligible participants as defined in the Scheme to subscribe for such number of shares as the Board may determine. Options granted should be accepted within 30 days from the date of offer. Upon acceptance of the options, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

### 附註：

1. 該等股份由Kingly Profits Corporation持有。杜樹輝先生間接持有Kingly Profits Corporation之80%實益權益。因此，本文所披露之權益被視為杜先生之公司權益。
2. 陳孝聰先生(i)透過其聯繫人士擁有股份抵押之方式持有1,888,430,550股股份之權益；以及(ii)透過其全資擁有之Smart Ease Corporation實益持有150,000,000股股份。

除上文所述者外，於二零零三年十二月三十一日，各董事或主要行政人員或彼等之聯繫人士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)之股份、相關股份或債權證中擁有任何根據證券及期貨條例須記錄在名冊上之權益或淡倉或根據標準守則須知會本公司及聯交所之權益及淡倉。

### 購股權

以下為本公司於二零零二年十一月二十二日採納之購股權計劃(「該計劃」)之主要條款概要。

該計劃旨在使本公司可向曾對本集團作出貢獻之本集團行政人員及僱員以及其他人士授出購股權，作為彼等對本公司或其附屬公司作出貢獻之獎勵及／或回報。

根據該計劃，董事會可向該計劃所界定之合資格參與者授出購股權，以認購董事會所釐定數目之股份。授出之購股權須自邀約日期起計30日內接納。接納購股權時，承授人須向本公司支付1.00港元作為獲授購股權之代價。

## DIRECTORS' REPORT (continued)

### 董事會報告 (續)

The exercise price of options shall be determined by the Board, save that such price will not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Company must not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme provided that the Company may at any time seek approval from its shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the shareholders in general meeting where such limit is refreshed. Options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period up to and including the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's issued share capital on the date of grant or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no options can be exercised more than 10 years after it has been granted. There is no general requirement that an option must be held for any minimum period before it can be exercised. The Scheme will expire on 22 November 2012.

購股權之行使價由董事會釐定，惟不得低於(a) 授出購股權當日(須為營業日)聯交所每日報價表所示之股份收市價；(b)截至授出購股權日期前五個營業日聯交所每日報價表所示之股份平均收市價；或(c)股份面值(以最高者為準)。

因行使根據該計劃及本公司任何其他購股權計劃授出之所有購股權而可發行之股份上限，不得超過批准及採納該計劃當日本公司已發行股本之10%，惟本公司可隨時徵求股東批准將上限重新釐定為股東於股東大會上批准重新釐定上限當日之已發行股份之10%。計算重新釐定之上限時，先前根據本公司任何購股權計劃授出之購股權(包括根據該等計劃尚未行使、已註銷、已失效或已行使之購股權)不會計算在內。

於截至授出購股權日期(包括該日)之前任何12個月內，因行使各合資格參與者根據該計劃及本公司任何其他購股權計劃獲授之購股權(包括已行使、已註銷及未行使之購股權)而已發行及可發行之股份總數，不得超過授出購股權當日之已發行股份之1%。倘向主要股東或獨立非執行董事授出超逾本公司於授出日期之已發行股本之0.1%或價值超出5,000,000港元之購股權，則須先經本公司股東批准。

購股權行使期將由董事會全權釐定，惟授出購股權日期起計10年後不可行使購股權。本公司並無規定行使前必須持有購股權之最短期限。該計劃將於二零一二年十一月二十二日屆滿。

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

No options have been granted under the Scheme since its adoption and during the year ended 31 December 2003.

The Company made an offer for grant of options to certain eligible participants on 11 December 2003. 300,000,000 options were accepted and granted on 3 January 2004.

### ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company, its holding companies, its fellow subsidiaries or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), details of the interests held by the Directors in businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group, are disclosed as follows:

自該計劃採納日期起及截至二零零三年十二月三十一日止年度並無根據該計劃授出購股權。

本公司於二零零三年十二月十一日向若干合資格參與者邀約授出購股權。300,000,000份購股權已於二零零四年一月三日獲接納及授出。

### 購買股份或債券之安排

除上文所披露者外，本公司、其控股公司、同系附屬公司或任何附屬公司於年內任何時間概無參與任何安排，致使董事可藉購入本公司或任何其他公司之股份或債券而獲益。

### 董事於競爭業務之權益

根據聯交所證券上市規則(「上市規則」)第8.10(2)條，董事於被視為與本集團業務直接或間接競爭或可能有所競爭之業務持有之權益詳情披露如下：

Name of company 公司名稱	Competing business 競爭業務
TKR Finance Limited (「TKR」) 鼎康御泰財務有限公司(「鼎康」)	Money lending 貸款
RPI Finance Limited (「RPI」) 御泰財務有限公司(「御泰財務」)	Money lending 貸款
Drake & Morgan Limited (「D&M」)	Securities dealing 證券交易

## DIRECTORS' REPORT (continued)

### 董事會報告 (續)

Mr Chan How Chung, Victor is a director and is deemed to be the substantial shareholder of the above companies. Miss Lee Huei Lin, Elizabeth is a director of these companies. The terms and conditions of the financing loans of each of TKR and RPI are market driven and agreed at arm's length between the borrowers and the financiers. The client base of D&M is different from that of the Group and the business transactions are carried out at arm's length and at the prevailing market prices. When making decisions on the above competing businesses, the relevant directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best commercial interest of the Group.

#### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the interests or short positions of the following parties in the shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

陳孝聰先生為上述公司之董事及被視為其主要股東。李慧玲小姐為該等公司之董事。鼎康及御泰財務各自之財務貸款之條款及條件均由市場導向並由借貸雙方經公平磋商協定。D&M之客戶基礎與本集團之客戶基礎有所不同，而該等商業交易均經公平磋商及按當時市價進行。於制訂上述競爭業務之決策時，有關董事（於履行彼等作為本公司董事之職務時）經已並將會繼續採取符合本集團最佳商業利益之行動。

#### 主要股東

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336條須存置之登記冊所載，下列各方於本公司股份中擁有之權益及淡倉如下：

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

Long Position in the Shares

於股份之好倉

Name of Shareholders 股東名稱	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行 股本百分比
Kingly Profits Corporation	1,998,805,635 (Note 1) (附註1)	Beneficial owner 實益擁有人	66.63%
King United Agents Limited	1,998,805,635 (Notes 1 and 2) (附註1及2)	Interest of a controlled corporation 受控制公司權益	66.63%
TKR Finance Limited 鼎康御泰財務有限公司	1,888,430,550 (Note 3) (附註3)	Security interest 保證權益	62.95%
TingKong-RexCapital Holdings Limited	1,888,430,550 (Note 3) (附註3)	Interest of a controlled corporation 受控制公司權益	62.95%
Rexcapital Partners Incorporated	1,888,430,550 (Note 3) (附註3)	Interest of a controlled corporation 受控制公司權益	62.95%
Smart Ease Corporation	150,000,000 (Note 4) (附註4)	Beneficial owner 實益擁有人	5%



# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

Notes:

1. These Shares were held by Kingly Profits Corporation which was owned as to 80% by King United Agents Limited. The interest disclosed herein was deemed to be the corporate interest of King United Agents Limited.
2. King United Agents Limited was wholly owned by Mr To Shu Fai, a Director and the Chairman of the Company. The interest disclosed herein is the same interest of Mr To Shu Fai as disclosed in the paragraph headed "Directors' and Chief Executives' Interests in Securities" above.
3. TKR Finance Limited was wholly owned by TingKong-RexCapital Holdings Limited. TingKong-RexCapital Holdings Limited was owned as to 52.1% by Rexcapital Partners Incorporated, a company owned as to 75% by Mr Chan How Chung, Victor. The interest disclosed herein is included in the interest of Mr Chan How Chung, Victor as disclosed in the paragraph headed "Directors' and Chief Executives' Interests in Securities" above.
4. Smart Ease Corporation was wholly owned by Mr Chan How Chung, Victor. The interest disclosed herein is included in the interest of Mr Chan How Chung, Victor as disclosed in the paragraph headed "Directors' and Chief Executives' Interests in Securities" above.

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 31 December 2003, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

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

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2003.

附註：

1. 該等股份由Kingly Profits Corporation持有，而King United Agents Limited擁有Kingly Profits Corporation之80%權益。因此，本文所披露之權益被視為King United Agents Limited之公司權益。
2. King United Agents Limited由本公司董事兼主席杜樹輝先生全資擁有。本文所披露之權益與於上文「董事及主要行政人員所佔證券權益」一段所披露杜樹輝先生所擁有者為相同權益。
3. 鼎康御泰財務有限公司由TingKong-RexCapital Holdings Limited全資擁有。TingKong-RexCapital Holdings Limited由Rexcapital Partners Incorporated擁有52.1%權益，而陳孝聰先生則持有該公司75%權益。本文所披露之權益已計入上文「董事及主要行政人員所佔證券權益」一段所披露之陳孝聰先生之權益內。
4. Smart Ease Corporation由陳孝聰先生全資擁有。本文所披露之權益已計入上文「董事及主要行政人員所佔證券權益」一段所披露之陳孝聰先生之權益內。

除上文所披露者外，根據證券及期貨條例第336條置存之登記冊所顯示，於二零零三年十二月三十一日，本公司並無獲知會任何其他人士於本公司股份或相關股份中擁有權益或淡倉。

### 買賣或贖回本公司上市證券

本公司及其附屬公司於截至二零零三年十二月三十一日止年度概無買賣或贖回本公司任何上市證券。

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

### CONNECTED TRANSACTIONS

Particulars of connected transactions of the Company and the Group as at 31 December 2003 are set out in note 30 to the accounts.

### 關連交易

本公司及本集團於二零零三年十二月三十一日之關連交易詳情列載於賬目附註30。

### BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Company and the Group as at 31 December 2003 are set out in note 29 to the accounts.

### 銀行貸款及其他借款

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款詳情列載於賬目附註29。

### FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years is set out on page 79.

### 五年財務摘要

本集團於過去五個財政年度之綜合業績及資產與負債摘要列載於第79頁。

### RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in note 26 to the accounts.

### 退休福利計劃

有關本集團退休福利計劃詳情列載於賬目附註26。

### PRE-EMPTIVE RIGHTS

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

### 優先認股權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股之優先認購權規定。

### CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31 December 2003 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the non-executive Directors were not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified by the bye-laws of the Company.

### 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一直遵守上市規則附錄14所載之最佳應用守則，惟非執行董事並無特定任期，而須根據本公司細則之規定在本公司股東週年大會上輪值告退。

# DIRECTORS' REPORT (continued)

## 董事會報告 (續)

### AUDIT COMMITTEE

The Audit Committee consisted of Mr Heng Kwo Seng and Mr Yuen Wai Ho, the two independent non-executive Directors. The primary duties of the Audit Committee are to review the financial reporting process and internal control system of the Group.

### AUDITORS

Deloitte Touche Tohmatsu resigned as auditors of the Company on 21 January 2003. Ting Ho Kwan & Chan were appointed subsequently on 22 January 2003. Ting Ho Kwan & Chan retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ting Ho Kwan & Chan is to be proposed at the forthcoming annual general meeting.

By order of the Board

**Chan How Chung, Victor**

*Executive Director*

Hong Kong, 26 April 2004

### 審核委員會

本公司之審核委員會成員為兩名獨立非執行董事邢詒春先生及阮煒豪先生。審核委員會之主要職責在於檢討及監督本集團之財務申報程序及內部控制系統。

### 核數師

德勤•關黃陳方會計師行於二零零三年一月二十一日辭任本公司核數師，其後丁何關陳會計師行於二零零三年一月二十二日獲委任為本公司核數師。丁何關陳會計師行任滿告退，惟符合資格並願膺選連任。在即將召開之股東週年大會上將提呈決議案，續聘丁何關陳會計師行為本公司核數師。

承董事會命

*執行董事*

**陳孝聰**

香港，二零零四年四月二十六日