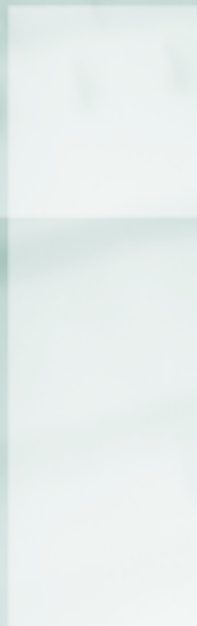


MARKETS DIARY

BOOKS

董事會報告書

Directors' Report



DIRECTORS' REPORT

董事會報告書

The Directors hereby present their Annual Report together with the audited accounts of China Everbright Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investment holding and provision of financial services. The principal activities of the subsidiaries are set out in note 13 to the accounts.

TURNOVER AND CONTRIBUTION TO GROUP RESULTS

The turnover and contribution to operating results of the Group by activity and geographical location are set out in note 31 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2003 are set out on page 43 of this Annual Report.

The Directors recommend the payment of a final dividend of HK\$0.033 per share for the year ended 31st December 2003 (2002: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

The principal activities of the Group are provision of financial services and investment holding and the turnover represents the aggregate of investment returns from trading securities, interest income, dividend income, rental income, brokerage commission and service income. Accordingly, it is not practicable to state the percentage of the sales attributable to the Group's largest customers and percentage of the purchases attributable the Group's largest suppliers.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has an interest in the share capital of any of the five largest suppliers.

董事會向各位股東呈覽中國光大控股有限公司（「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年報及經審核賬目。

主要業務

本集團之主要業務為投資控股及提供金融服務。附屬公司之主要業務詳情載於賬目附註13。

營業額及對集團業績之貢獻

以主要業務及地域分佈對本集團營業額及經營業績貢獻之詳情載於賬目附註31。

業績及盈利分配

本集團截至二零零三年十二月三十一日止年度之業績載於本年報第43頁。

董事會建議就截至二零零三年十二月三十一日止年度派發末期股息港幣3.3仙（二零零二年：無）。

主要客戶及供應商

本集團主要業務為提供金融服務及投資控股，其營業額主要包括累計交易證券之投資回報、利息收入、股息收入、租金收入及經紀佣金與服務收入，因此未能列出最大客戶及最大供應商所佔本集團銷售額之百分比。

各董事及其聯繫人或任何股東（指根據董事會所知擁有本公司已發行股本逾百分之五者）概無擁有任何五大供應商之權益。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past five financial years is set out on page 119 to 120 of this Annual Report.

FIXED ASSETS

Movements in fixed assets are set out in note 12 to the accounts.

PROPERTIES

Particulars of major properties held by the Group as at 31st December 2003 are set out on pages 121 to 124 of this Annual Report.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates as at 31st December 2003 are set out in notes 13 and 14 to the accounts respectively.

SHARE CAPITAL

Throughout the year, the issued share capital of the Company had been HK\$1,563,350,712.

SHARE PREMIUM AND RESERVES

Movements in share premium and reserves during the year are set out on pages 46 to 48 of this Annual Report.

Distributable reserves of the Company at 31st December 2003 as calculated under Section 79B of the Hong Kong Companies Ordinance amounted to approximately HK\$371,017,000 (2002: HK\$352,315,000).

財務摘要

本集團過往五年財政年度之業績、資產及負債摘要載於本年報第119至第120頁。

固定資產

固定資產於本年度內之變動情況載於賬目附註12。

物業

本集團於二零零三年十二月三十一日持有之主要物業資料載於本年報第121頁至第124頁。

附屬及聯營公司

本公司於二零零三年十二月三十一日之各主要附屬及聯營公司之詳情分別載於賬目附註13及14。

股本

於本年度內，本公司之已發行股本為港幣1,563,350,712元。

股本溢價及儲備

股本溢價及儲備於本年度內之變動情況載於本年報第46至48頁。

於二零零三年十二月三十一日，本公司按照香港公司法第79B章計算的可分配予股東之儲備約為港幣371,017,000元（二零零二年：約港幣352,315,000元）。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

BORROWINGS AND INTEREST CAPITALISED

Bank loans and overdrafts repayable within one year or on demand are classified as current liabilities in the accounts. No interest was capitalised by the Group during the year.

CONTINUING CONNECTED TRANSACTIONS

Significant related party transactions entered by the Group during the year ended 31st December 2003, which do not constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), are disclosed in note 26 to the accounts.

Following completion of the Company's acquisition of China Everbright Financial Holdings Limited ("Everbright Financial") on 31st December 1998, the provision of financial services by Everbright Financial and its subsidiaries to China Everbright Holdings Company Limited, China Everbright International Limited and China Everbright Technology Limited and their respective subsidiaries would constitute connected transactions for the Company. The Stock Exchange has granted a waiver to the Company from the strict compliance with the requirements of the Listing Rules in relation to connected transactions in respect of these types of transactions subject to certain disclosure requirements.

借貸及利息資本化

本集團須於一年內或須限令償還之銀行貸款及透支於財務報告書概列為流動負債。於本年度內，本集團並無將任何利息資本化。

持續的關連交易

本集團於截至二零零三年十二月三十一日止年度進行之重大有關連人士交易（而不構成香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）下之關連交易），乃載於賬目附註二十六。

於一九九八年十二月三十一日本公司完成收購中國光大金融控股有限公司（「光大金融」）之事項後，光大金融及其附屬公司向中國光大集團有限公司、中國光大國際有限公司、中國光大科技有限公司及彼等各自之附屬公司提供金融服務將構成本公司之關連交易。聯交所已就該等關連交易須遵守上市規則中的規定向本公司給予部份豁免，惟本公司須履行若干披露條件。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

CONTINUING CONNECTED TRANSACTIONS (Continued)

持續的關連交易 (續)

The details of these transactions during the year ended 31st December 2003 are set out as follows:

截至二零零三年十二月三十一日止年度有關上述交易之詳情如下:

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Securities brokerage commission received from	收取之經紀佣金		
– China Everbright Technology Limited, an associate of ultimate holding company	– 最終控股公司持有之聯營公司·中國光大科技有限公司	–	9
– Everbright Investment and Management Limited, a subsidiary of ultimate holding company	– 最終控股公司持有之附屬公司·光大投資管理有限公司	7	–
– Asia Like Securities Limited, a subsidiary of ultimate holding company	– 最終控股公司持有之附屬公司·Asia Like Securities Limited	80	–
– China Everbright Securities Investment Limited, an indirect subsidiary of ultimate holding company	– 最終控股公司間接持有之附屬公司·中國光大證券投資有限公司	2	–
– Everbright Creation International Limited, subsidiary of an associate of ultimate holding company	– 最終控股公司持有之聯營公司之附屬公司·Everbright Creation International Limited	2	–
Rental expense paid to wholly owned subsidiary of ultimate holding company (note 26(h) to the accounts)	向最終控股公司持有之全資附屬公司支付租金 (賬目附註26(h))	2,400	4,147

In the opinion of the Directors, these transactions had been conducted on normal commercial terms. The Independent Non-executive Directors have reviewed these connected transactions and confirmed that such transactions were entered into on normal commercial terms in the ordinary course of business of the Group and in accordance with the agreements governing these transactions, or where there is no agreement, on terms no less favourable than terms available to independent third parties, and the aggregate value of such transactions did not exceed the limits set out in Rule 14.25(1) of the Listing Rules.

董事認為上述交易按一般商業條款進行。本公司之獨立非執行董事已審閱該等關連交易，並確認該等交易乃本集團在日常業務中按一般商業條款及該等交易之協議規定而訂立，或如無訂立協議，交易條件不遜於給予獨立第三者之條款，上述交易之總金額並無超過上市規則第14.25(1)條規定之交易上限。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

DIRECTORS

The Directors of the Company during the year and up to the date of this Report are:

Executive Directors:

Wang Mingquan, Chairman
Xu Bin, Vice-chairman
Guo You, Chief Executive Officer
He Ling, Deputy General Manager
Wang Chuan
Xie Zhichun
Zhou Liquan
Lau Chung Man, Louis, Chief Financial Officer

Independent Non-executive Directors:

Ng Ming Wah, Charles
Tung Wai, David
Seto Gin Chung, John
(Appointed on 23rd April 2003)

In accordance with Articles 120 and 121 of the Company's Articles of Association, one-third of the Directors or the nearest number to but not exceeding one-third of the Directors shall retire from office and be eligible for re-election. Accordingly, Mr. Wang Mingquan, Dr. Zhou Liquan and Mr. Ng Ming Wah, Charles, being Directors who have been longest in office, shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Lau Chung Man, Louis and Mr. Seto Gin Chung, John retired pursuant to Article 87 of the Articles in May 2003 but were re-elected as directors at the Annual General Meeting held on 27th May 2003.

The term of office for each Non-executive Director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

董事

於本年度內及截至本報告書日期止，本公司董事為：

執行董事：

王明權，主席
許斌，副主席
郭友，行政總裁
賀玲，副總經理
王川
解植春
周立群
劉仲文，財務總監

獨立非執行董事：

吳明華
董偉
司徒振中
(於二零零三年四月二十三日獲委任)

本公司組織章程細則第一百二十條及第一百二十一條規定，於每年股東週年大會上，三分之一的董事或最接近但不超過此數目之董事將退任，但可膺選連任。因此，任期最長的董事：王明權先生、周立群先生及吳明華先生，將依章輪值並於即將舉行之股東週年大會上告退，並願意膺選連任。

劉仲文先生及司徒振中先生於二零零三年五月按公司組織章程細則第八十七條退任並於二零零三年五月二十七日召開的股東大會膺選連任。

每位非執行董事的任期將根據本公司組織章程細則需輪值退任時而屆滿。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December 2003, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares of equity derivatives and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register of directors' and chief executives' interests and short positions required to be maintained under section 352 of the SFO are as follows:

1. Long position in shares of the Company

董事及行政總裁於本公司及聯營公司股份中之權益

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352條規定須設置之董事及最高行政人員權益及淡倉登記冊所載記錄顯示，各董事及行政總裁在本公司及其聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份股本衍生工具及債券之權益如下：

1. 於本公司股份之長倉

Name of Director	董事姓名	Total 總數	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	% of total issued shares (if 0.01% or more) 佔已發行股份 總數百分比 (倘0.01%或以上)
Guo You	郭友	1,000,000	1,000,000	–	–	0.06
He Ling	賀玲	320,000	320,000	–	–	0.02
Lau Chung Man, Louis	劉仲文	4,000	4,000	–	–	–

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

(Continued)

董事及行政總裁於本公司及聯營公司股份中之權益 (續)

2. Long position in underlying shares of equity derivatives of the Company

2. 於本公司相關股份股本衍生工具之長倉

Name of Director 董事姓名	Nature of interest 權益性質	Date of Grant 授出日期	Number of equity derivatives held (share options) 持有股本 衍生工具數目	Number of underlying shares (ordinary shares) 相關股份數目	Total Percentage 總百分比
Wang Mingquan 王明權	Personal 個人	26.06.02	6,000,000	6,000,000	0.58
	Personal 個人	07.07.03	3,000,000	3,000,000	
Xu Bin 許斌	Personal 個人	26.06.02	1,500,000	1,500,000	0.14
	Personal 個人	07.07.03	750,000	750,000	
Guo You 郭友	Personal 個人	26.06.02	2,000,000	2,000,000	0.18
	Personal 個人	07.07.03	750,000	750,000	
He Ling 賀玲	Personal 個人	26.06.02	1,500,000	1,500,000	0.14
	Personal 個人	07.07.03	750,000	750,000	
Wang Chuan 王川	Personal 個人	26.06.02	1,500,000	1,500,000	0.14
	Personal 個人	07.07.03	750,000	750,000	
Xie Zhichun 解植春	Personal 個人	26.06.02	1,500,000	1,500,000	0.14
	Personal 個人	07.07.03	750,000	750,000	
Zhou Liquan 周立群	Personal 個人	26.06.02	1,500,000	1,500,000	0.14
	Personal 個人	07.07.03	750,000	750,000	
Lau Chung Man, Louis 劉仲文	Personal 個人	26.06.02	500,000	500,000	0.05
	Personal 個人	07.07.03	250,000	250,000	
Ng Ming Wah, Charles 吳明華	Personal 個人	07.07.03	150,000	150,000	0.01
Tung Wai, David 董偉	Personal 個人	26.06.02	300,000	300,000	0.03
	Personal 個人	07.07.03	150,000	150,000	
Seto Gin Chung, John 司徒振中	Personal 個人	07.07.03	150,000	150,000	0.01

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS (Continued)

董事及行政總裁於本公司及聯營公司股份中之權益 (續)

2. Long position in underlying shares of equity derivatives of the Company (Continued)

2. 於本公司相關股份股本衍生工具之長倉 (續)

All the above shares and underlying shares of equity derivatives were beneficially owned by the Directors concerned. The percentage shown was calculated based on the number of issued shares as at 31st December 2003.

上述股份及相關股份股本衍生工具均由有關董事實益持有。上表所顯示之百分比以本公司於二零零三年十二月三十一日已發行股份數目計算。

Details of the share options held by the Directors and Chief Executive of the Company are shown in the following section under the heading "Information on Share Options".

本公司董事及行政總裁持有之認股權的資料見於下列「認股權資料」項下。

As at 31st December 2003 save as disclosed herein, none of the Directors and Chief Executive of the Company were interested in short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporation defined under SFO as recorded in the register of directors' and chief executives' interests and short positions.

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而設置之董事及最高行政人員權益及淡倉登記冊內，本公司董事及行政總裁概無擁有本公司或任何聯營公司之股份、相關股份股本衍生工具或債券之淡倉權益。

3. Long position in underlying shares of equity derivatives of associated corporations

3. 於聯營公司相關股份股本衍生工具之長倉

As at 31st December 2003, the following Director had personal interests in options to subscribe for shares in China Everbright International Limited ("CEIL"), an associated corporation of the Company. The shares of CEIL are listed on the Stock Exchange.

於二零零三年十二月三十一日；以下董事個人擁有可認購本公司聯營公司中國光大國際有限公司之認股權，其股份於聯交所上市。

Name of Director 董事姓名	Nature of interest 權益性質	Exercise price (HK\$) 行使價 (港元)	Date of Grant 授出日期	Exercise period 行使期	Number of underlying shares of CEIL (ordinary shares) 光大國際之 相關股份數目	Total Percentage 總百分比
Wang Mingquan 王明權	Personal 個人	0.296	29.09.03	29.03.04 – 25.05.13	25,400,000	0.997

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTIONS

認股權資料

Information in relation to share options of the Company disclosed in accordance with the Listing Rules are as follows:

根據上市規則所披露有關認股權的資料如下：

1. Outstanding share options as at 1st January 2003:

1. 於二零零三年一月一日尚未行使的認股權：

		Number of options 認股權數目	Date of offer 認股權 授出日期	Vesting period 有效期	Exercise period 行使期	Exercise price (HK\$) 行使價 (港元)
Wang Mingquan 王明權		6,000,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Xu Bin 許斌		1,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Guo You 郭友		2,000,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
He Ling 賀玲		1,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Wang Chuan 王川		1,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Xie Zhichun 解植春		1,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Zhou Liquan 周立群		1,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Lau Chung Man, Louis 劉仲文		500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Ng Ming Wah, Charles 吳明華		102,000	21.03.97	22.03.99 – 22.03.01	22.03.99 – 21.03.03	5.152
Tung Wai, David 董偉		300,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Aggregate total of employees (Note 1) 僱員的總數 (註一)		4,500,000	26.06.02	27.06.03 – 27.12.04	27.06.03 – 26.12.05	4.360
Aggregate total of other persons (Note 2) 其他人士的總數 (註二)		3,060,000	21.03.97	22.03.99 – 22.03.01	22.03.99 – 21.03.03	5.152

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTIONS (Continued)

認股權資料 (續)

2. Outstanding share options as at 31st December 2003:

2. 於二零零三年十二月三十一日尚未行使的認股權：

	Number of options 認股權數目	Date of offer 認股權 授出日期	Vesting period 有效期	Exercise period 行使期	Exercise price (HK\$) 行使價 (港元)
Wang Mingquan 王明權	6,000,000 3,000,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Xu Bin 許斌	1,500,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Guo You 郭友	2,000,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
He Ling 賀玲	1,500,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Wang Chuan 王川	1,500,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Xie Zhichun 解植春	1,500,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Zhou Liquan 周立群	1,500,000 750,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Lau Chung Man, Louis 劉仲文	500,000 250,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Ng Ming Wah, Charles 吳明華	150,000	07.07.03	08.07.04 – 08.01.06	08.07.04 – 07.01.07	2.375
Tung Wai, David 董偉	300,000 150,000	26.06.02 07.07.03	27.06.03 – 27.12.04 08.07.04 – 08.01.06	27.06.03 – 26.12.05 08.07.04 – 07.01.07	4.360 2.375
Seto Gin Chung, John 司徒振中	150,000	07.07.03	08.07.04 – 08.01.06	08.07.04 – 07.01.07	2.375
Aggregate total of employees (Note 1) 僱員的總數 (註一)	3,700,000 500,000 1,950,000	26.06.02 02.05.03 07.07.03	27.06.03 – 27.12.04 03.05.04 – 03.11.05 08.07.04 – 08.01.06	27.06.03 – 26.12.05 03.05.04 – 02.11.06 08.07.04 – 07.01.07	4.360 1.780 2.375

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTIONS (Continued)

認股權資料 (續)

3. Share options granted during the year ended 31st December 2003:

3. 截至二零零三年十二月三十一日止年度內授出的認股權：

Date of Grant 授出日期	11.02.2003	02.05.2003	07.07.2003
Vesting Period 有效期	12.02.2004 – 12.08.2005	03.05.2004 – 03.11.2005	08.07.2004 – 08.01.2006
Exercise Period 行使期	12.02.2004 – 11.08.2006	03.05.2004 – 02.11.2006	08.07.2004 – 07.01.2007
Exercise Price 行使價	HK\$2.265	HK\$1.78	HK\$2.375

Grantees 獲頒認股權人士	Number of options granted on 11.02.2003 於 11.02.2003 授出之認股權數目		Number of options granted on 02.05.2003 於 02.05.2003 授出之認股權數目		Number of options granted on 07.07.2003 於 07.07.2003 授出之認股權數目	
Wang Mingquan 王明權	–		–		3,000,000	
Xu Bin 許斌	–		–		750,000	
Guo You 郭友	–		–		750,000	
He Ling 賀玲	–		–		750,000	
Wang Chuan 王川	–		–		750,000	
Xie Zhichun 解植春	–		–		750,000	
Zhou Liqun 周立群	–		–		750,000	
Lau Chung Man, Louis 劉仲文	–		–		250,000	
Ng Ming Wah, Charles 吳明華	–		–		150,000	
Tung Wai, David 董偉	–		–		150,000	
Seto Gin Chung, John 司徒振中	–		–		150,000	
Aggregate total of employees (Note 1) 僱員的總數 (註一)	300,000		500,000		1,950,000	

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTIONS (Continued)

認股權資料 (續)

3. Share options granted during the year ended 31st December 2003: (Continued)

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 31st December 2003 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.

3. 截至二零零三年十二月三十一日止年度內授出的認股權：(續)

計算認股權之價值是基於多方面的變數，如行使價、行使期、利率、預期波幅及其他相關因素。董事會相信任何根據大量不確定的假設而計算認股權於二零零三年十二月三十一日之價值，對股東而言均屬沒有意義及將可能構成誤導。基於此原因，董事會認為不適宜在此列出已授出的認股權的價值。

4. No share options were exercised during the year ended 31st December 2003.

4. 截至二零零三年十二月三十一日止年度內並無行使認股權。

5. No share options were cancelled during the year ended 31st December 2003.

5. 截至二零零三年十二月三十一日止年度內並無註銷認股權。

6. Number of share options lapsed during the year ended 31st December 2003:

6. 截至二零零三年十二月三十一日止年度內失效的認股權數目：

	Date of offer 授出日期	No. of options 認股權數目
Ng Ming Wah, Charles 吳明華	21.03.97	102,000
Aggregate total of employees (Note 1) 僱員的總數 (註一)	26.06.02 11.02.03	800,000 300,000
Aggregate total of other persons (Note 2) 其他人士的總數 (註二)	21.03.97	3,060,000

Notes:

註：

- These are employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.
- These are former Directors and employees who ceased to be eligible persons after the grant of options. The exercise periods of such options have been extended by the board of Directors at their discretion in accordance with the terms of the scheme.

- 一、彼等為按《僱傭條例》所指的「連續性合約」工作的僱員。
- 二、彼等為本公司的前董事及前僱員，彼等於認股權授出後不再為合資格人士。該等認股權之行使期已由董事會根據認股權計劃條款酌情予以延期。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTIONS (Continued)

Save as disclosed herein, as at 31st December 2003, none of the Directors, the Chief Executive or their respective associates had any interest in the securities of the Company or any of its associated corporations or in any arrangements to which the Company is a party to purchase shares of the Company or any other body corporate.

INFORMATION ON SHARE OPTION SCHEME

At the Extraordinary General Meeting of the Company held on 24th May 2002, an ordinary resolution was passed to adopt the New Share Option Scheme (the "Scheme") and to terminate the share option scheme adopted on 27th September 1996.

A summary of the Scheme disclosed in accordance with the Listing Rules was as follows:

1. Purpose of the Scheme
該計劃的目的

To provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.
對本集團作出貢獻及提升本集團利益而努力不懈之合資格人士提供激勵或報酬。

2. Participants of the Scheme
該計劃的參與者

Any employee(s) including any Director(s) of the Company or any subsidiary or associated company.
本公司或其任何附屬公司或聯營公司之任何僱員及彼等之董事。

3. Total number of shares available for issue under the Scheme and percentage of issued share capital as at 31st December 2003
該計劃中可予發行的股份數目及其於二零零三年十二月三十一日佔已發行股本的百分率

101,891,071 shares (6.5%)
101,891,071股(6.5%)

認股權資料 (續)

除本文所披露者外，於二零零三年十二月三十一日，概無任何董事、行政總裁或彼等各自之聯繫人持有本公司或其任何聯營公司之證券權益，或任何購買本公司或任何其他法人團體股份之安排。

認股權計劃資料

本公司於二零零二年五月二十四日舉行之股東特別大會上通過普通決議案以採納新認股權計劃（「計劃」），及終止於一九九六年九月二十七日採納之認股權計劃。

根據上市規則披露的有關計劃的摘要如下：

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTION SCHEME (Continued)

認股權計劃資料 (續)

- | | | |
|----|--|--|
| 4. | Maximum entitlement of each participant under the Scheme
該計劃中每名參與者可獲授權益上限 | The maximum number of shares (issued and to be issued) in respect of which options may be granted under the Scheme and any other share option scheme(s) of the Company (whether exercised, cancelled or outstanding) to any participants in any 12-month period shall not exceed 1 per cent of the total number of shares in issue from time to time unless such grant has been duly approved by ordinary resolution of the shareholders in general meeting.
根據該計劃及本公司任何其他認股權計劃而於任何12個月期間向任何參與者授出認股權(無論已行使、註銷或尚未行使者),其有關之股份最多數目(包括已發行及將予發行股份數目)將不可超過本公司不時已發行股份總數之1%。如授出之數目超過1%,則必須經本公司股東於股東大會上以普通決議案正式批准。 |
| 5. | The period within which the shares must be taken up under an option
可根據認股權認購股份的期限 | The exercise period of options ranges from 1 year to 2.5 years.
認股權行使期限由一年至兩年半不等。 |
| 6. | The minimum period for which an option must be held before it can be exercised
認股權行使之前必須持有的最短期限 | The option periods ranging from 1 year to 2.5 years from the date of offer.
認股權之期限內授出日期起計一年至兩年半不等。 |
| 7. | (a) The amount payable on application or acceptance of the option
申請或接受認股權時須付之金額 | (a) HK\$1.00
1.00港元 |
| | (b) The period within which payments or calls must or may be made
付款或通知付款的期限 | (b) Within 30 days after the date of offer
授出日期後30天內 |
| | (c) The period within which loans for such purposes must be repaid
償還申請認股權貸款的期限 | (c) N/A
不適用 |

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

INFORMATION ON SHARE OPTION SCHEME (Continued)

認股權計劃資料 (續)

- | | |
|--|--|
| 8. The basis of determining the exercise price
行使價的釐定基準 | The exercise price is determined by the Directors which shall be at least the highest of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; and (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer.
認股權之行使價將由董事會釐定，並至少須為下列三者中之最高者：(i)股份面值；(ii)於授出認股權當日，股份於聯交所每日報價表示之收市價；及(iii)緊接授出認股權當日前五個交易日，股份於聯交所每日報價表所示之平均收市價。 |
| 9. The remaining life of the Scheme
該計劃尚餘的有效期 | The Scheme will expire on 24th May 2012.
該計劃將於二零一二年五月二十四日終止。 |

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

董事於重大合約之權益

No contracts of significance, to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

於本年度內，本公司、其控股公司、控股公司的附屬公司、或本公司附屬公司概無訂立任何重大、而任何董事擁有直接或間接重大權益之合約。

DIRECTORS' SERVICE CONTRACTS

董事之服務合約

No Director offering for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not terminable by the employing company within one year without payment of compensation other than the normal statutory compensation.

所有在即將舉行之股東週年大會上膺選連任之董事，均未與本公司或其任何附屬公司訂立任何在一年內不能終止，或除正常法定補償外還須支付任何補償方可終止之服務合約。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

董事認購股份或債券之權利

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements 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.

除上文所披露者外，在本年度任何時間內，本公司、其任何附屬公司、控股公司或控股公司之附屬公司概無訂立任何安排，使董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2003 the following persons, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the group:

主要股東

於二零零三年十二月三十一日，下列人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部知會本公司之權益及淡倉，或直接或間接擁有附帶權利在任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上權益：

Name of shareholder 股東名稱	No. of shares beneficially held 實益持有股份數目	% of total issued shares 佔已發行 股本百分比
China Everbright Holdings Company Limited (Note) 中國光大集團有限公司	867,119,207 ^(L)	55.47 ^(L)
Datten Investments Limited (Note)	867,119,207 ^(L)	55.47 ^(L)
Honorich Holdings Limited	867,119,207 ^(L)	55.47 ^(L)
J.P. Morgan Chase & Co.	96,321,600 ^(L) 7,932,000 ^(P)	6.16 ^(L) 0.51 ^(P)

(L) – Long Position, (P) – Lending Pool

(L) – 好倉 (P) – 借盤

Note: Honorich Holdings Limited ("Honorich") is wholly-owned by Datten Investments Limited ("Datten") which in turn is a wholly-owned subsidiary of China Everbright Holdings Company Limited ("Holdings"). Accordingly, Datten and Holdings are deemed to have the same interests in the shares of the Company as Honorich.

附註：Honorich Holdings Limited (「Honorich」) 乃由 Datten Investments Limited (「Datten」) 全資擁有，而 Datten 乃中國光大集團有限公司 (「光大集團」) 之全資附屬公司，因此 Datten 及光大集團於本公司股本中被視為擁有與 Honorich 相同之權益。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as at 31st December 2003, the Directors are not aware of any other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

CORPORATE GOVERNANCE

The Directors confirm that save and except that Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with Articles 120 and 121 of the Company's Articles of Association, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Stock Exchange throughout the year ended 31st December 2003.

The Directors confirm that the Company has prepared its own code of conduct regarding Directors securities transactions on terms no less exacting than the requirements stipulated in "the Model Code for Securities Transactions by Directors of Listed Companies" as set out in Appendix 10 to the Listing Rules. The Directors have made enquiry of all Directors who confirm that their respective dealings in securities have complied with the Company's code regarding Directors' dealings in securities.

主要股東 (續)

除上文所披露者外，於二零零三年十二月三十一日，董事並不知悉有任何其他人士於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部知會本公司之權益及淡倉，或直接或間接擁有附帶權利，可在任何情況下在本集團任何成員公司之股東大會上投票之任何類別股本面值10%或以上權益。

購買、出售或贖回本公司之證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何證券。

公司監管

董事會確認，除本公司之獨立非執行董事由於依據本公司組織章程細則第一百二十條及第一百二十一條規定於股東週年大會上輪值告退及連任規定而並無指定任期外，本公司於截至二零零三年十二月三十一日止年度內所有時間均有遵守上市規則附錄十四之最佳應用守則。

董事會確認本公司已按不低於上市規則附錄十「上市公司董事進行證券交易的標準守則」所規定的要求訂立董事證券交易守則。董事會亦向各董事查詢並獲各董事確認其所進行的證券交易已符合本公司對董事就證券交易所訂守則的要求。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

EMPLOYEES

As at 31st December 2003, the number of employees of the Group was 119. Total staff cost for the year under review amounted to approximately HK\$58.97 million as noted in the consolidated profit and loss account. The Group ensures that the remuneration packages for employees are fair and competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Discretionary year end bonus may also be paid to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes. Directors of the Company and full time employees of the Group may be granted share options to subscribe for shares in the Company in accordance with the terms and conditions of the share option scheme approved by the Company at an extraordinary general meeting held on 24th May 2002.

AUDITORS

The accounts for the financial year ended 31st December 2001 have been audited by Arthur Andersen & Co. The accounts for the financial years ended 31st December 2002 and 2003 have been audited by PricewaterhouseCoopers who retire, and being eligible, offer themselves for reappointment. A resolution for their re-appointment as auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting.

僱員

本集團於二零零三年十二月三十一日擁有僱員119名。於回顧年度內之總員工成本約為港幣5,897萬元並已列載於綜合利潤表內。本集團之薪酬制度公平及與市場相若，員工薪酬（包括薪金及花紅）按表現釐定。本集團亦會按僱員之個別表現，酌情向僱員發放花紅。員工福利亦包括醫療保險、退休計劃及培訓計劃。本公司董事及全職僱員可能獲授根據本公司於二零零二年五月二十四日股東特別大會上採納之認股權計劃之條款及條件發出之認股權以認購本公司之股份。

核數師

截至二零零一年十二月三十一日止財務年度由安達信公司審核。而截至二零零二年及二零零三年十二月三十一日止財務年度的財務報表則由羅兵咸永道會計師事務所審核，該審計師任滿告退，但表示願意應聘連任。在即將舉行的股東週年大會上，將提呈重新委任核數師之決議案。

DIRECTORS' REPORT (Continued)

董事會報告書 (續)

AUDIT COMMITTEE

The audit committee of the Company comprises Mr. Ng Ming Wah, Charles, Mr. Tung Wai, David and Mr. Seto Gin Chung, John 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 accounts for the year ended 31st December 2003.

On behalf of the Board

Wang Mingquan

Chairman

Hong Kong, 30th March 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吳明華先生、董偉先生及司徒振中先生。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告書）。

承董事會命

王明權

主席

香港，二零零四年三月三十日