

Directors' *Report*

董事會報告書



Directors'
Report 董事會報告書

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 2002.

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 32 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2002 are set out on page 41 of this Annual Report.

The Directors do not recommend the payment of a final dividend for the year ended 31st December 2002 (2001: HK\$0.012 per share).

MAJOR CUSTOMERS AND SUPPLIERS

The principal activities of the Group are provision of financial services and investment holding and the turnover comprised mainly of revenue from securities trading and interest income. Accordingly, it is not practicable to state the percentage of the sales attributable to the Group's largest customers.

For the year ended 31st December 2002, the percentage of purchases attributable to the Group's five largest suppliers was less than 30%.

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」)截至二零零二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32。

業績及盈利分配

本集團截至二零零二年十二月三十一日止年度之業績載於本年報第41頁。

董事會不建議就截至二零零二年十二月三十一日止年度派發末期股息(按:2001年末期股息為港幣1.2仙)。

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,其營業額主要包含證券買賣及利息之收入,因此未能列出最大客戶佔本集團銷售額之百分率。

截至二零零二年十二月三十一日止年度,本集團最大的五間供應商佔本集團總採購額少於百分之三十。

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。

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MAJOR CUSTOMERS AND SUPPLIERS (Continued)

For the year ended 31st December 2002, the percentage of income attributable to the Group's five largest customers was less than 30% of the Group's turnover.

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 108 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 2002 are set out on pages 109 to 112 of this Annual Report.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates as at 31st December 2002 are set out in notes 13 and 14 to the accounts respectively.

SHARE CAPITAL

During the year, the issued share capital of the Company had been increased from HK\$1,562,990,712 to HK\$1,563,350,712. The Company issued 360,000 shares on the exercise of share options granted to Directors and executives of the Group.

Details of the movements in the share capital of the Company during the year are set out in note 25 to the accounts.

SHARE PREMIUM AND RESERVES

Movements in share premium and reserves during the year are set out on pages 45 to 46 of this Annual Report.

主要客戶及供應商 (續)

截至二零零二年十二月三十一日止年度，本集團最大的五間客戶所貢獻之收入佔本集團總營業額少於百分之三十。

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108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

本集團於二零零二年十二月三十一日持有之主要物業資料載於本年報第109頁至第112頁。

附屬及聯營公司

本公司於二零零二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由港幣1,562,990,712元增加至港幣1,563,350,712元。本公司因本集團董事及行政人員行使認股權而發行360,000股股份。

本公司股本於本年度內之變動情況載於賬目附註25。

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45至46頁。

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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

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 of Hong Kong Limited (the "Stock Exchange") has granted a waiver to the Company from compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in relation to connected transactions in respect of these types of transactions subject to certain disclosure requirements.

The details of these transactions during the year ended 31st December 2002 are set out in note 27 to the accounts.

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.

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

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。香港聯合交易所有限公司（「聯交所」）已就該等關連交易須遵守的聯交所證券上市規則（「上市規則」）中的規定向本公司給予豁免，惟本公司須履行若干披露條件。

截至二零零二年十二月三十一日止年度有關上述交易之詳情載於賬目附註27。

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。

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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
 (Appointed on 20th March 2002)
 Xie Zhichun
 (Appointed on 20th March 2002)
 Zhou Liquan
 (Resigned as Deputy General Manager in September 2002)
 Lau Chung Man, Louis
 (Appointed on 10th September 2002)
 Nie Qingping, General Manager
 (Resigned on 31st July 2002)
 Wang Xiaoping
 (Resigned on 5th February 2002)

Independent Non-executive Directors:

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

Article 87 of the Company's Articles of Association provides that any Director appointed by the Board of Directors shall hold office only until the next annual general meeting of the Company, but shall be eligible for re-election at such meeting. Accordingly, Mr. Lau Chung Man, Louis and Mr. Seto Gin Chung, John, being Directors so appointed, shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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, Dr. Xu Bin, Ms. He Ling and Mr. Tung Wai, David, 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.

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
 (於二零零二年三月二十日獲委任)
 解植春
 (於二零零二年三月二十日獲委任)
 周立群
 (於二零零二年九月辭任副總經理之職務)
 劉仲文
 (於二零零二年九月十日獲委任)
 聶慶平，總經理
 (於二零零二年七月三十一日辭任)
 王曉平
 (於二零零二年二月五日辭任)

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八十七條規定，獲董事會委任的董事之任期將於下屆股東週年大會屆滿，但可於該大會膺選連任。因此，劉仲文先生及司徒振中先生在即將舉行之股東週年大會上告退，並願意膺選連任。

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：許斌博士、賀玲小姐及董偉先生，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。

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DIRECTORS (Continued)

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.

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

As at 31st December 2002, the interests of each Director, the Chief Executive and their respective associates in the shares of the Company and its associated corporations within the meaning of the (now repealed) Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), which are required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance, including interests which a Director is taken or deemed to have under section 31 of or Part I of the Schedule to the SDI Ordinance, or which are required, pursuant to section 29 of the SDI Ordinance to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Interests in issued shares of the Company

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 1% or more) 佔已發行股份 總數百分比 (倘1%或以上)
Lau Chung Man, Louis	劉仲文	4,000	4,000	-	-	-

董事 (續)

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。

董事及行政總裁於本公司股份中之權益

於二零零二年十二月三十一日，本公司各董事及行政總裁及彼等各自的聯繫人於本公司（定義見（現已廢除）證券（公開）權益條例（「公開權益條例」）之證券中擁有根據公開權益條例第二十八條須知會本公司及聯交所之權益（包括根據公開權益條例第三十一條或附表第一部份被視作或計作擁有之權益），或按公開權益條例第二十九條須列入該條例所述之登記冊內，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益如下：

於本公司已發行股份之權益

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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 was 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 2002:

1. 於二零零二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)
Xu Bin	許斌	3,000,000	11.06.99	12.12.99 – 12.12.01	12.12.99 – 11.06.02	4.308
Nie Qingping	聶慶平	1,000,000	11.06.99	12.12.99 – 12.12.01	12.12.99 – 11.06.02	4.308
Wang Xiaoping	王曉平	100,000	11.06.99	12.12.99 – 12.12.01	12.12.99 – 11.06.02	4.308
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
Aggregate total of employees	僱員的 總數	140,000	11.06.99	12.12.99 – 12.12.01	12.12.99 – 11.06.02	4.308
(Note 1)	(註一)	480,000	15.11.99	16.05.00 – 16.05.02	16.05.00 – 15.11.02	5.805
		500,000	29.06.00	30.12.00 – 30.12.02	30.12.00 – 29.06.03	5.220
Aggregate total of other persons	其他人士 的總數	3,162,000	21.03.97	22.03.99 – 22.03.01	22.03.99 – 21.03.03	5.152
(Note 2)	(註二)	5,120,000	11.06.99	12.12.99 – 12.12.01	12.12.99 – 11.06.02	4.308

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INFORMATION ON SHARE OPTIONS (Continued)

認股權資料(續)

2. Outstanding share options as at 31st December 2002: 2. 於二零零二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	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 Liqun	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

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INFORMATION ON SHARE OPTIONS (Continued)

認股權資料 (續)

3. Share options granted during the year ended 31st December 2002:

Date of Grant: 26.06.2002
 Vesting Period: 27.06.2003 – 27.12.2004
 Exercise Period: 27.06.2003 – 26.12.2005
 Exercise Price: HK\$4.36

3. 截至二零零二年十二月三十一日止年度內授出的認股權:

授予日期: 26.06.2002
 有效期: 27.06.2003-27.12.2004
 行使期: 27.06.2003-26.12.2005
 行使價: HK\$4.36

Number of options granted on 26.06.2002

於二零零二年六月二十六日
授出認股權數目

Grantees	承受人	授出認股權數目
Wang Mingquan	王明權	6,000,000
Xu Bin	許斌	1,500,000
Guo You	郭友	2,000,000
He Ling	賀玲	1,500,000
Wang Chuan	王川	1,500,000
Xie Zhichun	解植春	1,500,000
Zhou Liqun	周立群	1,500,000
Lau Chung Man, Louis	劉仲文	500,000
Tung Wai, David	董偉	300,000
Aggregate total of employees (Note 1)	僱員的總數 (註一)	5,300,000

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 2002 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.

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二零零二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。

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INFORMATION ON SHARE OPTIONS (Continued)

認股權資料(續)

4. **Number of share options exercised during the year ended 31st December 2002:**
4. 截至二零零二年十二月三十一日止年度內行使的認股權數目：

		Date of offer 授出日期	No. of Shares 股份數目	Exercise price (HK\$) 行使價 (港元)	WA Closing price** (HK\$) 加權平均 收市價** (港元)
Wang Xiaoping	王曉平	11.06.99	100,000	4.308	5.100
Aggregate total of employees (Note 1)	僱員的 總數 (註一)	11.06.99	140,000	4.308	4.764
Aggregate total of other persons (Note 2)	其他人士 的總數 (註二)	11.06.99	120,000	4.308	4.900

** The weighted average ("WA") closing price of the shares of the Company immediately before the dates on which the options were exercised.

** 本公司股份在緊接有關認股權行使日期之前的加權平均收市價。

5. **No share option was cancelled during the year ended 31st December 2002.**
5. 截至二零零二年十二月三十一日止年度內並無註銷認股權。

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INFORMATION ON SHARE OPTIONS (Continued)

認股權資料 (續)

6. Number of share options lapsed during the year ended 31st December 2002:

6. 按現行認股權計劃條款於截至二零零二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
Xu Bin	許斌	11.06.99	3,000,000
Nie Qingping	聶慶平	11.06.99	1,000,000
Aggregate total of employees (Note 1)	僱員的總數 (註一)	15.11.99	480,000
		29.06.00	500,000
		26.06.02	800,000
Aggregate total of other persons (Note 2)	其他人士的總數 (註二)	21.03.97	102,000
		11.06.99	5,000,000

Notes:

1. These are employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.
2. 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.

註：

- 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。

Save as disclosed herein, as at 31st December 2002, 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.

除本文所披露者外，於二零零二年十二月三十一日，概無任何董事、行政總裁或彼等各自的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。

Directors' Report

董事會報告書

INFORMATION ON SHARE OPTION SCHEME

認股權計劃資料

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.

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。

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

根據上市規則披露的有關計劃的摘要如下：

- | | |
|--|--|
| 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 2002
該計劃中可予發行的股份數目及其於二零零二年十二月三十一日佔已發行股本的百分率 | 108,579,071 shares (6.95%)
108,579,071股(6.95%) |
| 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）將不可超逾本公司不時已發行股份總數之1%。如授出之數目超逾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。 |

Directors' Report

董事會報告書

INFORMATION ON SHARE OPTION SCHEME (Continued)

認股權計劃資料(續)

- | | | |
|----|--|--|
| 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 | For options granted on 26th June 2002, the exercise period ranges from 1 year to 2.5 years.
於二零零二年六月二十六日授出之認股權，其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 | For options granted on 26th June 2002, periods ranging from 1 year to 2.5 years from the date of offer.
於二零零二年六月二十六日授出之認股權，該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 |
| 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' Report

董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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.

DIRECTORS' SERVICE CONTRACTS

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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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.

董事於重大合約之權益

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。

董事之服務合約

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。

董事認購股份或債券之權利

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

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2002, the register of substantial shareholders maintained under section 16(1) of the (now repealed) SDI Ordinance showed that the following shareholders had an interest of 10% or more in the share capital of the Company:

主要股東

於二零零二年十二月三十一日，根據本公司按披露權益條例（現已廢除）第十六（一）條規定而設立的主要股東名冊的資料顯示，下列股東持有本公司股本中百分之十或以上之權益：

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 (附註)	867,119,207	55.47
Datten Investments Limited (Note) (附註)	867,119,207	55.47
Honorich Holdings Limited	867,119,207	55.47

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。

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more in the issued share capital of the Company as at 31st December 2002.

除上述披露者外，概無任何人士知會本公司其於二零零二年十二月三十一日持有本公司已發行股本百分之十或以上之權益。

Directors' Report

董事會報告書

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 throughout the year ended 31st December 2002.

EMPLOYEES

As at 31st December 2002, the number of employees of the Group was 105. Total staff cost for the period under review amounted to approximately HK\$46.94 million as noted in the consolidated income statement. 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.

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

董事會確定，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，本公司於截至二零零二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。

僱員

本集團於二零零二年十二月三十一日擁有僱員105名。於回顧年度內之總員工成本約為港幣4,694萬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。

Directors' Report

董事會報告書

CHANGE OF AUDITORS

Following the combination of Mainland China and Hong Kong practices of Arthur Andersen & Co and PricewaterhouseCoopers in July 2002, Arthur Andersen & Co resigned as auditors of the Company and its subsidiaries. PricewaterhouseCoopers has been appointed to fill the casual vacancy in the office of auditors of the Company. The accounts for the year under review have been audited by PricewaterhouseCoopers. A resolution for their re-appointment as auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting.

AUDIT COMMITTEE

The audit committee of the Company comprises Mr. Ng Ming Wah, Charles and Mr. Tung Wai, David 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 2002.

On behalf of the Board

Wang Mingquan

Chairman

Hong Kong, 23rd April 2003

更改核數師

繼安達信公司與羅兵咸永道會計師事務所於二零零二年七月將其中國大陸及香港之業務合併後，安達信公司已辭去本公司及其附屬公司之核數師職務。羅兵咸永道會計師事務所已獲委任為本公司核數師，以填補安達信公司離任之臨時空缺。本年度之財務報告書乃由羅兵咸永道會計師事務所審核。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。

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及董偉先生。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二零零二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，二零零三年四月二十三日