

董事會報告

董事會謹此提呈彼等之報告及截至二零零三年十二月三十一日止年度之經審核賬目。

主要業務

本公司及其附屬公司之主要業務為持有上市及非上市證券。

營業額及經營業績

本集團於年內之營業額及對經營溢利之貢獻包括投資項目之股息收入、存款利息及債務證券之利息收入。

業績及分配

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賬目第23至25頁之綜合損益賬。

董事會已議決不派發本年間之股息。

儲備

有關本集團及本公司之儲備於本年度之變動情況載於賬目附註19。

可供分派儲備

根據香港公司條例第79B條計算，本公司於二零零三年十二月三十一日之可供分派儲備達182,850,059港元(二零零二年：77,583,718港元)。

股本

有關本公司股本之變動情況載於賬目附註18。

REPORT OF THE DIRECTORS

The directors submit their report together with the audited accounts for the year ended 31st December, 2003.

PRINCIPAL ACTIVITY

The principal activity of the Company and its subsidiaries is the holding of listed and unlisted securities.

TURNOVER AND OPERATING RESULT

The Group's turnover and contribution to operating profit for the year comprises dividend income from investments, interest earned on deposits and interest from debt securities.

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 pages 23 to 25 of the accounts.

The directors have resolved not to declare a dividend for the year.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 19 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st December, 2003, calculated under Section 79B of the Hong Kong Companies Ordinance, amounted to HK\$182,850,059 (2002: HK\$77,583,718).

SHARE CAPITAL

Details of the movements in share capital of the Company are shown in note 18 to the accounts.

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REPORT OF THE DIRECTORS

五年財政概要

有關本集團過去五個財政年度之業績及資產與負債概要載於第72頁。

董事

年內及截至本報告日期之董事如下：

馮永祥
馮耀輝

Philippe Dhamelincourt

謝大同

李世亮

蘇樹輝

周宇俊

李成輝

李業華

Fabrice Jacob

(Philippe Dhamelincourt之替任董事)

何振林

(蘇樹輝之替任董事)

謝大同、李世亮及李業華諸位先生均遵照本公司之公司組織章程細則第101條規定退任，惟願膺選連任。#

於董事會報告刊發日期後，謝大同先生於二零零四年三月二十五日辭任本公司董事。因此，根據細則第101條退任之董事應為李世亮、李業華及蘇樹輝諸位先生，惟願膺選連任。

董事服務合約

有意於應屆股東週年大會上連任之董事均無與本公司訂有本公司不可於一年內免付補償（法例賠償除外）而終止之服務合約。

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 72.

DIRECTORS

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

Fung Wing Cheung, Tony

Fung Yiu Fai, Peter

Philippe Dhamelincourt

Xie Da Tong

Li Shi Liang

So Shu Fai, Ambrose

Chow Yu Chun, Alexander

Lee Seng Hui

Lee Yip Wah, Peter

Fabrice Jacob

(alternate director to Philippe Dhamelincourt)

Albert Ho

(alternate director to So Shu Fai, Ambrose)

In accordance with Article 101 of the Company's Articles of Association, Messrs. Xie Da Tong, Li Shi Liang and Lee Yip Wah, Peter retire and, being eligible, offer themselves for re-election.#

Subsequent to the date of the Report of Directors, Mr. Xie Da Tong resigned as director of the Company on 25th March, 2004. Accordingly, the directors to retire pursuant to Article 101 shall be Messrs. Li Shi Liang, Lee Yip Wah, Peter and So Shu Fai, Ambrose who, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事會報告

REPORT OF THE DIRECTORS

董事個人簡歷

各董事之簡歷載列如下：

執行董事

馮永祥，52歲，自一九九〇年本集團成立時加入，為本公司之主席。馮先生亦為禹銘投資管理有限公司（「禹銘投資管理」）之主席兼股東。彼於證券業務、物業發展及中國投資方面具備超過二十九年之經驗，並於國際性金融、商品、直接投資及基金管理方面具有豐富專業知識。馮先生亦為香港總商會之常務委員。

馮耀輝，57歲，自一九九〇年本集團成立時加入，為本公司之董事總經理。馮先生亦為禹銘投資管理之董事總經理兼股東。彼於投資銀行業務具備超過二十七年之經驗，並於香港及東南亞之策略性投資具備豐富專業知識。馮先生於一九六九年獲McGill University 頒發理學士學位，並分別於一九七一年及一九七三年獲Northwestern University 頒發理科碩士及工商管理碩士學位。

Philippe Dhamelincourt，61歲，於一九九五年加入本集團。Dhamelincourt先生為 Matignon Investissements FCPR 之管理公司 Matignon Investissement & Gestion之董事總經理。Matignon Investissements FCPR 乃一大規模之法國基金，專注於全球之直接投資。彼在投資銀行方面具有三十四年以上之經驗，且在歐洲、非洲、南美洲及遠東區擁有豐富之策略投資經驗。

謝大同，61歲，於一九九五年加入本集團。彼為高級經濟師，畢業於中國北京對外貿易學院。彼曾為中國保利集團公司之董事兼常務副總經理及新海康航業投資有限公司（「新海康」）之董事。在加盟保利科技之前，彼曾於中國對外貿易部及中國駐英國、加拿大及荷蘭大使館之商務處工作。

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the directors are set out below:

Executive Directors

Fung Wing Cheung, Tony, aged 52, joined the Group since its inception in 1990 and is chairman of the Company. Mr. Fung is also chairman and shareholder of Yu Ming Investment Management Limited ("YMIM"). He has over 29 years of experience in the securities business, property development and investment in China and has extensive exposure in international finance, commodities, direct investment and fund management. Mr. Fung is a General Committee Member of the Hong Kong General Chamber of Commerce.

Fung Yiu Fai, Peter, aged 57, joined the Group since its inception in 1990 and is managing director of the Company. Mr. Fung is also managing director and shareholder of YMIM. He has over 27 years of experience in investment banking and has extensive exposure in strategic investments in Hong Kong and South East Asia. Mr. Fung received a BS degree from McGill University in 1969, and a MS and MBA degree from Northwestern University in 1971 and 1973 respectively.

Philippe Dhamelincourt, aged 61, joined the Group in 1995. He is managing director of Matignon Investissement & Gestion, the management company of Matignon Investissements FCPR. Matignon Investissements FCPR is a sizeable French fund, specialising in direct investments on a worldwide basis. He has over 34 years of experience in investment banking and has extensive experience in strategic investments in Europe, Africa, South America and the Far East.

Xie Da Tong, aged 61, joined the Group in 1995. He is a senior economist. He graduated from the Beijing Foreign Trade Institute in the PRC. He had been a director and the executive vice president of China Poly Group Corporation and the director of Continental Mariner Investment Company Limited ("CMIC"). Prior to joining Poly Technologies Inc., he worked for the Foreign Trade Ministry of China and Business Trade Section of the Embassy of the PRC to the United Kingdom, Canada and the Netherlands.

董事會報告

REPORT OF THE DIRECTORS

董事個人簡歷(續)

李世亮，58歲，於二零零零年加入本集團，現任新海康之董事總經理。李先生為高級經濟師，彼加入新海康前曾於中國銀行工作三十四年，期間任職中國銀行紐約分行經理五年，並自一九九二年開始擔任中國銀行廣東省分行副行長。

Fabrice Jacob，39歲，於一九九五年加入本集團，為Philippe Dhamelin court之替任董事。彼擁有逾十八年在紐約、倫敦、巴黎及香港不同機構之公司財務、資本市場及直接投資經驗，並持有City University of New York之工商管理碩士學位。

非執行董事

蘇樹輝，53歲，自一九九〇年本集團成立時加入，彼為香港上市公司信德集團有限公司(「信德集團」)之執行董事兼公司秘書，彼為特許秘書及行政人員公會會員，亦為香港大學教育發展研究基金委員會榮譽董事。

李成輝，35歲，於一九九六年加入本集團。李先生畢業於悉尼大學法律學院，並持有榮譽學位。彼為聯合集團有限公司之行政總裁。在此之前，彼曾於麥堅時律師行及羅富齊父子(香港)有限公司工作。

李業華，62歲，於一九九八年加入本集團。彼為香港執業律師，李先生亦為數間上市公司之非執行董事包括中遠太平洋有限公司及依利安達國際集團有限公司。李先生亦為本公司之秘書。

BIOGRAPHICAL DETAILS OF DIRECTORS (Continued)

Li Shi Liang, aged 58, joined the Group in 2000 and is a managing director of CMIC. He is a senior economist. Immediately prior to joining CMIC, he had worked for Bank of China for 34 years. During that period, Mr. Li was the manager of Bank of China, New York Branch for 5 years and had been the deputy general manager of Bank of China, Guangdong Province Branch since 1992.

Fabrice Jacob, aged 39, joined the Group in 1995 and is an alternate director to Philippe Dhamelin court. He has over 18 years experience in corporate finance, capital markets and direct investments with different institutions in New York, London, Paris and Hong Kong. He holds a masters degree in business administration from City University of New York.

Non-Executive Directors

So Shu Fai, Ambrose, aged 53, joined the Group since its inception in 1990, is an executive director and company secretary of Shun Tak Holdings Limited ("Shun Tak"), a listed company in Hong Kong. He is an associate member of the Institute of Chartered Secretaries and Administrators. Mr. So also serves as honorary director of the University of Hong Kong Foundation for Education Development and Research.

Lee Seng Hui, aged 35, joined the Group in 1996. Mr. Lee graduated from the Law School of the University of Sydney with Honours. He is chief executive of Allied Group Limited. Previously he worked with Baker & McKenzie and N.M. Rothschild & Sons (Hong Kong) Limited.

Lee Yip Wah, Peter, aged 62, joined the Group in 1998. Mr. Lee is a practising solicitor in Hong Kong. He is also a non-executive director of a number of listed companies including COSCO Pacific Limited and Elec & Eltek International (Holdings) Limited. He is also the Secretary of the Company.

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REPORT OF THE DIRECTORS

董事個人簡歷(續)

周宇俊，57歲，於一九九九年加入本集團。周先生為英國特許公認會計師公會資深會員及香港會計師公會會員，於香港物業發展及投資方面擁有二十九年以上經驗。

何振林，46歲，於一九九九年加入本集團，為蘇樹輝之替任董事，何先生畢業於澳洲悉尼麥克里大學，持有經濟學學士學位，並獲得香港大學工商管理學碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。

董事之合約權益

本年度內，禹銘投資管理(馮永祥及馮耀輝均為該公司董事兼股東)就本集團與禹銘投資管理簽訂之管理協議向本集團收取9,236,394港元之管理費用及23,463,680港元之獎金費用。

除上文所披露者外，本年度內或年結時，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司董事直接或間接在其中擁有重大權益之重要合約。

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行之重大與有關連人士交易(即據香港聯合交易所有限公司證券上市規則(「上市規則」)而構成關連交易者，乃載於賬目附註24。

BIOGRAPHICAL DETAILS OF DIRECTORS (Continued)

Chow Yu Chun, Alexander, aged 57, joined the Group in 1999. Mr. Chow is a fellow of the Association of Chartered Certified Accountants (UK) and an associate of the Hong Kong Society of Accountants and has over 29 years of experience in property development and investment in Hong Kong.

Albert Ho, aged 46, joined the Group in 1999 and is an alternate director to So Shu Fai, Ambrose. Mr. Ho graduated from the Macquarie University, Sydney Australia with a Bachelor of Economics and MBA from the University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Society of Accountants.

DIRECTORS' INTEREST IN CONTRACTS

During the year, YMIM, of which Fung Wing Cheung, Tony and Fung Yiu Fai, Peter are directors and shareholders, received from the Group management fee of HK\$9,236,394 and incentive fee of HK\$23,463,680 in connection with a management agreement signed between the Group and YMIM.

Save as disclosed above, no other contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Significant related party transactions entered by the Group during the year ended 31st December, 2003, which constitutes connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), is disclosed in note 24 to the accounts.

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REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉

於二零零三年十二月三十一日，本公司董事於本公司及其相聯法團（定義見證券及期貨條例第XV部（「證券及期貨條例」）之股份、相關股份及債券中擁有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香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例之該等條文本公司董事及最高行政人員被視為或被當作擁有之權益及淡倉），或須列入而已列入按證券及期貨條例第352條存置之登記冊內，或根據聯交所上市規則（「上市規則」）之上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份權益

Name of directors	Personal interests*	Family interests	Corporate interests	Other interests	Total	% of total issued shares
董事姓名	個人權益*	家屬權益	法團權益	其他權益	總額	佔已發行股份總數百分比
Fung Wing Cheung, Tony 馮永祥	3,328,000	—	—	679,346,258 (Note 1) (附註1)	682,674,258	40.37%
Lee Seng Hui 李成輝	—	—	—	364,151,800 (Note 2) (附註2)	364,151,800	21.53%
Fung Yiu Fai, Peter 馮耀輝	6,500,000	—	—	—	6,500,000	0.38%
Lee Yip Wah, Peter 李業華	1,550,000	—	—	—	1,550,000	0.09%
Fabrice Jacob	1,000,000	—	—	—	1,000,000	0.06%
Albert Ho 何振林	300,000	—	—	—	300,000	0.02%

* Beneficial owner 實益擁有人

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2003, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules") were as follows:

(a) Interests in shares of the Company

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REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉 (續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(a) 於本公司股份權益 (續)

(a) Interests in shares of the Company (continued)

附註1：Goldfield Venture Limited (「Goldfield」) 及 Megaland Development Limited (「Megaland」) 分別持有245,000,000股及434,346,258股股份。由於Goldfield由Megaland全資擁有，Megaland被視為擁有合共679,346,258股股份之權益。Megaland亦由Oyster Unit Trust之信託人Oyster Services Limited全資擁有，因此Oyster Services Limited被視為擁有679,346,258股股份之權益。

Note 1: Goldfield Venture Limited ("Goldfield") and Megaland Development Limited ("Megaland") hold 245,000,000 and 434,346,258 shares respectively. Since Goldfield is wholly owned by Megaland, Megaland is deemed to be interested in 679,346,258 shares in total. Megaland is also wholly-owned by Oyster Services Limited, the trustee of the Oyster Unit Trust, which in turn Oyster Services Limited is deemed to be interested in 679,346,258 shares.

Oyster Unit Trust之信託財產包括Megaland之全部已發行股本。Oyster Unit Trust之受益人為HSBC International Trustee Limited，其以信託方式代表The Alyssa Js 1 Trust之受益人持有信託財產(包括Oyster Unit Trust之實益權益)。The Alyssa Js 1 Trust之受益人為(其中包括)馮永祥18歲以下之子女。

The trust property of the Oyster Unit Trust comprises the entire issued capital of Megaland. The beneficiary of Oyster Unit Trust is HSBC International Trustee Limited which holds the trust property (including the beneficial interest under the Oyster Unit Trust) on trust for the beneficiaries of The Alyssa Js 1 Trust. The beneficiaries of The Alyssa Js 1 Trust are, inter alia, Fung Wing Cheung, Tony's children under 18.

因此，馮永祥被視為擁有679,346,258股股份之權益，而其18歲以下之子女則根據上述安排擁有該等股份之最終實益權益。

As such, Fung Wing Cheung, Tony is deemed to be interested in 679,346,258 shares in which his children under 18 have ultimate beneficial interest under the above arrangement.

附註2：李成輝為Lee and Lee Trust (「LLT」)之信託人，LLT擁有聯合集團有限公司(「聯合集團」)之38.35%權益，聯合集團則持有本公司之364,151,800股股份。因此，李成輝及LLT均被視作於聯合集團擁有權益之上述股份中擁有權益。

Note 2: Lee Seng Hui is a trustee of Lee and Lee Trust ("LLT") which owns 38.35% interests in Allied Group Limited ("AGL") which holds 364,151,800 shares of the Company. Accordingly, Lee Seng Hui and LLT are deemed to have an interest in the said shares in which AGL is interested.

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REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(b) 於本公司購股權權益

本公司於二零零零年四月十八日採納購股權計劃(「購股權計劃」)，董事會可酌情邀請全職職員(包括本集團董事)以1.00港元之代價接納購股權，按董事會釐定之價格認購本公司股份，該價格不得少於本公司股份於購股權授出日期前五個交易日在香港聯合交易所有限公司(「聯交所」)之平均收市價之80%或股份之面值(以較高者為準)。

根據本公司購股權計劃授出之購股權可認購之股份數目(連同任何尚未行使購股權可認購之股份數目)最多不得超逾本公司不時之已發行股本10%，惟就此而言，不包括根據購股權計劃授出之購股權獲行使而發行之股份。

倘悉數行使向任何僱員授出之購股權，會導致根據其獲授之所有購股權而已向其發行或可向其發行之股份總數，超逾當時已發行或根據購股權計劃可發行之股份總數之25%，則不得向其授出購股權。

購股權之可行使期不得遲於購股權接受日期起計三年後。

購股權計劃將於二零零零年四月十八日起計三年內有效。

聯交所已修訂上市規則有關購股權計劃之規定，有關之新規定於二零零一年九月一日起生效，並導致購股權計劃若干條文不再適用。

(b) Interests in share options of the Company

A share option scheme for employees was adopted on 18th April, 2000 ("Share Option Scheme") and the directors may, at their discretion, invite full time employees including directors of the Group, to take up options at a consideration of HK\$1.00 to subscribe for shares of the Company at a price to be determined by the Board which will not be less than 80 per cent of the average closing prices of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five trading days immediately preceding the date of grant of the option or the par value of the shares, whichever is the higher.

The maximum number of shares in respect of which options may be granted (together with shares in respect of which any options remain outstanding) under the Share Option Scheme of the Company may not exceed 10 per cent of the issued share capital of the Company from time to time, excluding for this purpose shares issued on exercise of options granted pursuant to the Share Option Scheme.

No option may be granted to any one employee which, if exercised in full, would result in the total number of shares already issued or issuable to him under all options granted to him exceeding 25 per cent of the aggregate number of shares for the time being issued and issuable under the Share Option Scheme.

The exercisable period of an option should not exceed a period of three years from the date of acceptance of the option.

The Share Option Scheme will remain in force for a period of three years commencing on 18th April, 2000.

The Stock Exchange amended the requirements for share option schemes under the Listing Rules. The new requirements have come into effect from 1st September, 2001 and make some of the provisions of the Share Option Scheme no longer applicable.

董事會報告

REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(b) 於本公司購股權權益(續)

以下人士擁有下列可認購本公司股份之購股權之個人權益。購股權持有人有權就每持有一份購股權認購一股本公司普通股股份。

(b) Interests in share options of the Company (continued)

The following persons had the following personal interests in options to subscribe for shares of the Company. Each share option entitles the holder to subscribe for one ordinary share in the Company.

Name of directors	Date of acceptance	Outstanding as at 1st January, 2003 於二零零三年一月一日尚未行使	Number of share options 購股權數目			Outstanding as at 31st December, 2003 於二零零三年十二月三十一日尚未行使
			Granted	Exercised	Lapsed	
董事姓名	接受日期		授出	行使	失效	
Fung Wing Cheung, Tony 馮永祥	10th May, 2000 二零零零年五月十日	42,000,000	-	-	(42,000,000)	-
Fung Yiu Fai, Peter 馮耀輝	10th May, 2000 二零零零年五月十日	42,000,000	-	-	(42,000,000)	-
Lee Seng Hui 李成輝	15th May, 2000 二零零零年五月十五日	33,000,000	-	-	(33,000,000)	-
Fabrice Jacob	9th May, 2000 二零零零年五月九日	10,000,000	-	-	(10,000,000)	-
Xie Da Tong 謝大同	15th May, 2000 二零零零年五月十五日	10,000,000	-	-	(10,000,000)	-
So Shu Fai, Ambrose 蘇樹輝	16th May, 2000 二零零零年五月十六日	10,000,000	-	-	(10,000,000)	-
Lee Yip Wah, Peter 李業華	12th May, 2000 二零零零年五月十二日	10,000,000	-	-	(10,000,000)	-
Chow Yu Chun, Alexander 周宇俊	16th May, 2000 二零零零年五月十六日	10,000,000	-	-	(10,000,000)	-
		167,000,000	-	-	(167,000,000)	-

購股權(即實物交收非上市衍生工具)乃由董事各自作為實益擁有人所持有。每位獲授購股權之董事已支付1.00港元之代價。購股權可以每股普通股0.3184港元之行使價於接納日期起計三年期間予以行使。購股權已於二零零三年五月失效。截至二零零三年十二月三十一日止年度內並無根據購股權計劃授出、行使或註銷任何購股權，而於二零零三年十二月三十一日概無尚未行使之購股權。

The share options, being physically settled unlisted derivatives were held by the respective directors personally as beneficial owners. The consideration paid by each director for the share options granted was HK\$1.00. The share options can be exercised at an exercise price of HK\$0.3184 per ordinary share during a period of three years commencing from the date of acceptance. The share options were lapsed in May, 2003. No share option was granted, exercised or cancelled under the share option scheme during the year ended 31st December, 2003 and there were no outstanding options at 31st December, 2003.

董事會報告

REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(c) 於相聯法團股份權益

(c) Interests in shares of associated corporations

Name of director	Name of corporations	Number of shares				Total
		Personal interests	Family interests	Corporate interests	Other interests	
董事姓名	法團名稱	個人權益	家屬權益	法團權益	其他權益	總額
Fung Wing Cheung, Tony 馮永祥	Honnex Development Limited 康恩發展有限公司	—	—	—	500 (5%)	500 (5%)
	Long Vocation Investments Limited	—	—	—	5 (5.55%)	5 (5.55%)

附註：此等股份乃透過Oyster Unit Trust之信託人Oyster Services Limited持有。Oyster Unit Trust之受益人為HSBC International Trustee Limited，其以信託方式代表The Alyssa Js 1 Trust之受益人持有信託財產(包括Oyster Unit Trust之實益權益)。The Alyssa Js 1 Trust之受益人為(其中包括)馮永祥18歲以下之子女。

因此，馮永祥被視為擁有此等股份之權益，而其18歲以下之子女則根據上述安排擁有此等股份之最終實益權益。

除上述披露者外，於截至二零零三年十二月三十一日止年度內之任何時間，本公司、其附屬公司或其聯營公司概無訂立任何安排，令本公司之董事或主要行政人員或其配偶或其未滿十八歲之子女可藉購入本公司或其他相聯法團之股份或債券而獲益。

Note: These shares are held through Oyster Services Limited, the trustee of the Oyster Unit Trust. The beneficiary of Oyster Unit Trust is HSBC International Trustee Limited which holds the trust property (including the beneficial interest under the Oyster Unit Trust) on trust for the beneficiaries of The Alyssa Js 1 Trust. The beneficiaries of The Alyssa Js 1 Trust are, inter alia, Fung Wing Cheung, Tony's children under 18.

As such, Fung Wing Cheung, Tony is deemed to be interested in these shares in which his children under 18 have ultimate beneficial interest under the above arrangement.

Save as disclosed above, at no time during the year ended 31st December, 2003 was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

董事會報告

REPORT OF THE DIRECTORS

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

除上文所披露者外，本公司各董事或主要行政人員並無於本公司或其相聯法團(定義見證券及期貨條例第十五部份)之股份、相關股份或債券擁有權益或淡倉，而須登記於根據證券及期貨條例第352條規定須存置之登記冊內，或根據上市規則所載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任何權益及淡倉。

主要股東

於二零零三年十二月三十一日，根據本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊紀錄所顯示，以下人士(除上述披露有關董事所持之權益外)持有本公司已發行股本及相關股份百分之五或以上之股份權益：

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

Save as disclosed above, none of the directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (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 for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2003, the following persons, other than the interest disclosed above in respect of the directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Name of shareholders	Notes	No. of shares	% of total issued shares
股東名稱	附註	股份數目	佔已發行股份總數百分比
Sun Hung Kai Venture Capital Limited ("SHK Venture")	1	257,716,000	15.24%
Shipshape Investments Limited ("Shipshape")	1	257,716,000	15.24%
Sun Hung Kai & Co. Limited ("SHK & Co.") 新鴻基有限公司(「新鴻基」)	1	364,151,800	21.53%
AP Emerald Limited ("AP Emerald")	2	364,151,800	21.53%
AP Jade Limited ("AP Jade")	2	364,151,800	21.53%
Allied Properties (H.K.) Limited ("APL") 聯合地產(香港)有限公司(「聯地」)	2	364,151,800	21.53%
Allied Group Limited ("AGL") 聯合集團有限公司(「聯集」)	2	364,151,800	21.53%
Lee Su Hwei 李淑慧	3	364,151,800	21.53%
Lee Seng Huang 李成煌	3	364,151,800	21.53%
Continental Mariner Investment Company Limited ("CMIC") 新海康航業投資有限公司(「新海康」)	4	119,380,000	7.05%

董事會報告

REPORT OF THE DIRECTORS

主要股東(續)

附註：

1. SHK Venture乃Shipshape之全資附屬公司，而Shipshape則為新鴻基之全資附屬公司。因此，新鴻基及Shipshape均被視為擁有該等由SHK Venture擁有之股份權益。
2. 新鴻基乃AP Emerald擁有74.95%之附屬公司。AP Emerald乃AP Jade之全資附屬公司，而AP Jade則為聯地之全資附屬公司，而聯地為聯集之附屬公司。因此，聯集、聯地、AP Jade及AP Emerald均被視為擁有該等由新鴻基所擁有之股份權益。
3. 李淑慧及李成煌均為Lee and Lee Trust(「LLT」)之信託人，LLT擁有聯集之38.35%權益，聯集則持有本公司之364,151,800股股份。因此，李淑慧、李成煌及LLT均被視作於聯集擁有權益之上述股份中擁有權益。
4. 新海康之權益乃透過多間全資附屬公司而持有。

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或任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份股本衍生工具或債券中擁有根據證券及期貨條例第XV部，須向本公司披露之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. SHK Venture is a wholly owned subsidiary of Shipshape which in turn is wholly owned by SHK & Co.. Therefore SHK & Co. and Shipshape are deemed to have an interest in the shares in which SHK Venture is interested.
2. SHK & Co. is a 74.95% owned subsidiary of AP Emerald. AP Emerald is wholly owned by AP Jade which in turn is a wholly-owned subsidiary of APL. APL is a subsidiary of AGL. Accordingly, AGL, APL, AP Jade and AP Emerald are deemed to have an interest in the shares in which SHK & Co. is interested.
3. Lee Su Hwei and Lee Seng Huang are trustees of Lee and Lee Trust ("LLT") which owns 38.35% interests in AGL, which holds 364,151,800 shares of the Company. Accordingly, Lee Su Hwei, Lee Seng Huang and LLT are deemed to have an interest in the said shares in which AGL is interested.
4. The interest of CMIC was attributable on account through a number of wholly-owned subsidiaries.

Save as disclosed above, as at 31st December, 2003, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

董事會報告

REPORT OF THE DIRECTORS

管理協議

根據本集團與禹銘投資管理於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議（「現行管理協議」），禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作。禹銘投資管理有權收取投資管理費用，金額相等於每季最後一日之資產淨值之0.375%，以及獎金費用（如有），金額相等於各財政年度完結後之經審核之除稅前綜合溢利（未計獎金費用前）減去本集團於該年度之每月平均資產淨值6%後之超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

在二零零二年三月四日，獨立股東批准一份補充協議（「補充協議」）延長現行管理協議之到期日，直至二零零七年三月三十一日。補充協議中，管理費用維持不變。在補充協議中的有效期限內，如本集團錄得累計虧損時，禹銘投資管理將不收取獎金費用。因而，該項獎金費用金額為截至每年度十二月三十一日止經審核之除稅前綜合溢利（未計獎金費用前），扣除補充協議中的有效期限內之累計虧損後，如有溢利，再減本集團每月平均綜合資產淨值6%後超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

截至二零零三年十二月三十一日止年度，禹銘投資管理向本集團收取投資管理費用9,236,394港元及可收取獎金費用約23,463,680港元。

MANAGEMENT AGREEMENT

Under the management agreement (“Existing Investment Management Agreement”) approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and YMIM, YMIM agreed to assist the board of directors with the day-to-day management of the Group for a period of five years commencing 27th March, 1997. YMIM will be entitled to a management fee equal to 0.375% of the net asset value on each quarter date and an incentive fee equal to 20% of such amount (if any) by which the audited consolidated profit before tax for each financial year completed (before adjusting for the incentive fee) exceeds such amount as is equal to 6% of average monthly net asset value of the Group for each such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.

On 4th March, 2002, a supplemental agreement (“Supplemental Agreement”) was approved by independent shareholders to extend the expiry date of the Existing Investment Management Agreement to 31st March, 2007. Under the Supplemental Agreement, the management fee remains unchanged. Pursuant to the Supplemental Agreement, YMIM will not be entitled to the incentive fee if the Group reports an accumulated loss during the term of the Supplemental Agreement at the time of the incentive fee computation. Therefore, the incentive fee will be equivalent to 20% of the amount by which the audited consolidated profit before tax for each year ending 31st December (before adjusting for the incentive fee), and after offsetting the accumulated losses during the term of the Supplemental Agreement, if any, exceeds 6% of the average monthly net asset value of the Group for such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.

For the year ended 31st December, 2003, YMIM received from the Group management fee of HK\$9,236,394 and is entitled to an incentive fee of approximately HK\$23,463,680.

董事會報告

REPORT OF THE DIRECTORS

管理協議 (續)

根據上市規則第14章，此項交易屬於關連交易，並須作出披露。

除上文所披露者外，年內概無訂立或存在對本公司整體或任何重大部份業務之管理及行政有關之其他合約。

退休福利計劃

本集團根據強制性公積金計劃條例設立一項定額供款之強制性公積金退休福利計劃(「計劃」)。這計劃由二零零零年十二月一日起生效。供款乃按僱員之基本薪金以某個百分比計算，並根據這計劃之規則於損益賬中扣除須付之款項。這計劃之資產與本集團之資產分開處理，交由獨立管理基金持有。

審核委員會

由三名獨立非執行董事李業華、周宇俊及蘇樹輝諸位先生及一名非執行董事李成輝先生組成之審核委員會已於一九九九年六月十六日根據上市規則而成立。

同日，參考香港會計師公會所發表「成立審核委員會指引」而制訂之審核委員會職權範圍已獲本公司董事會通過。審核委員會之主要工作包括審閱及監督本集團之財務申報過程及內部控制。

MANAGEMENT AGREEMENT (continued)

This transaction constitutes a connected transaction and is required to be disclosed in accordance with Chapter 14 of Listing Rules.

Save as disclosed above, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance. The Scheme has operated since 1st December, 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

AUDIT COMMITTEE

Pursuant to the Listing Rules, an audit committee, comprising three independent non-executive directors, namely Messrs. Lee Yip Wah, Peter, Chow Yu Chun, Alexander and So Shu Fai, Ambrose and one non-executive director, namely Mr. Lee Seng Hui, was established on 16th June, 1999.

By reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants, written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board of the Company on the same date. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

董事會報告

REPORT OF THE DIRECTORS

符合上市規則之最佳應用守則

董事會認為，本公司在本年賬目所包含之會計年度內一直遵守上市規則附錄十四所載最佳應用守則，唯一例外情況為本公司之獨立非執行董事須根據本公司之組織章程細則於本公司之股東週年大會上輪值告退及膺連任，而非以指定之任期委任。

核數師

有關賬目已經由羅兵咸永道會計師事務所審核，該會計師事務所任滿告退，並願膺聘續任。

承董事會命
秘書
李業華

香港，二零零四年三月十五日

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting year covered by the annual accounts except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Company's Articles of Association.

AUDITORS

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

By order of the Board
Lee Yip Wah, Peter
Secretary

Hong Kong, 15th March, 2004