

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Group's principal activities remained unchanged during the year and consisted of the manufacture and retail of jewellery, the wholesale of precious metals and securities and commodities broking.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2003 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 20 to 83.

An interim dividend of HK4.0 cents per ordinary share was paid on 30 September 2003. The directors recommend the payment of a final dividend of HK11.0 cents per ordinary share in respect of the year, to shareholders on the register of members on 12 May 2004. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in accounting policy affecting income tax, as detailed in note 2 to the financial statements. This summary does not form part of the audited financial statements.

董事會報告

董事會謹將截至2003年12月31日止年度之報告及本公司與本集團之已審核財務報告送呈各股東省覽。

主要業務

年內本集團之主要業務並無改變，包括珠寶製造及零售、貴金屬批發及證券期貨經紀。

本公司主要業務為投資控股。附屬公司之主要業務詳情載於財務報告附註18。

業績及股息

本集團截至2003年12月31日止年度之溢利及本公司與本集團於該日之財政狀況載於財務報告第20頁至第83頁內。

本公司於2003年9月30日派發中期股息每股普通股4.0港仙。董事會建議派發有關年度之末期股息每股普通股11.0港仙予於2004年5月12日已登記在股東名冊上之股東。此項建議已納入財務報告中資產負債表內股本及儲備賬項下作保留溢利之分配。

財務資料摘要

以下列出本集團過去五個財政年度已公布之業績、資產與負債摘要，該等資料摘自已審核及重新分類之財務報告。五個年度摘要內每年之數額已因應會計政策追溯變動對所得稅之影響而作出調整，詳情載於財務報告附註2。此摘要不構成此已審核財務報告之一部分。

REPORT OF THE DIRECTORS

董事會報告

RESULTS

業績

Year ended 31 December

截至12月31日止年度

		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (重列)	2001 HK\$'000 千港元 (Restated) (重列)	2000 HK\$'000 千港元 (Restated) (重列)	1999 HK\$'000 千港元 (Restated) (重列)
TURNOVER	營業額					
Jewellery operations	珠寶業務	1,998,943	1,931,116	1,842,401	2,125,699	2,424,990
Others	其他	4,329,466	2,886,443	2,843,829	2,558,677	1,891,979
		6,328,409	4,817,559	4,686,230	4,684,376	4,316,969
OPERATING PROFIT	經營溢利	153,144	84,567	28,313	78,028	148,203
Share of profits of associates	應佔聯營公司溢利	739	1,065	993	1,049	588
PROFIT BEFORE TAX	除稅前溢利	153,883	85,632	29,306	79,077	148,791
Tax	稅項	(35,775)	(18,958)	(5,220)	(18,223)	(21,207)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利	118,108	66,674	24,086	60,854	127,584
Minority interests	少數股東權益	(948)	252	16	(517)	(609)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務溢利	117,160	66,926	24,102	60,337	126,975

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

As at 31 December

於12月31日

		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (重列)	2001 HK\$'000 千港元 (Restated) (重列)	2000 HK\$'000 千港元 (Restated) (重列)	1999 HK\$'000 千港元 (Restated) (重列)
TOTAL ASSETS	總資產	2,364,970	2,171,953	2,046,041	2,062,625	1,956,191
TOTAL LIABILITIES	總負債	(498,216)	(442,370)	(346,220)	(299,095)	(287,036)
MINORITY INTERESTS	少數股東權益	(16,582)	(13,519)	(8,492)	(4,009)	(4,300)
		1,850,172	1,716,064	1,691,329	1,759,521	1,664,855

REPORT OF THE DIRECTORS

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively. Further details of the Group's principal properties are set out on page 84.

SHARE CAPITAL

Details of movements in the Company's share capital during the year, together with the reasons therefor, are set out in note 32 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 33 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2003, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Act 1981 of Bermuda, amounted to HK\$1,402,114,000, of which HK\$55,176,000 has been proposed as a final dividend for the year.

董事會報告

固定資產及投資物業

年內本集團之固定資產及投資物業之變動詳情分別載於財務報告附註14及15。本集團主要物業資料詳情載於第84頁之財務報告內。

股本

年內本公司股本之變動詳情及其原因載於財務報告附註32。

優先購股權

本公司之公司附例或百慕達法律並無規定本公司必須向現有股東按持股比例提呈新股之優先購股權之條款。

購買、贖回或出售本公司之上市證券

年內本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

儲備

年內本公司及本集團之儲備變動詳情分別載於財務報告附註33及綜合權益變動表。

可分派儲備

於2003年12月31日，本公司根據百慕達1981年公司法計算可分派儲備達1,402,114,000港元，其中55,176,000港元擬派發為該年度末期股息。

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 48% of the total sales for the year and sales to the largest customer included therein amounted to 20%. Purchases from the Group's five largest suppliers accounted for 45% of the total purchases for the year and purchases from the largest supplier included therein amounted to 17%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

DIRECTORS

The directors of the Company during the year were:

Chow Kwen Ling
Chow Kwen Lim
Chan Bing Fun *
Vincent W.S. Chow
Gerald K.S. Chow
Stephen L.H. Ting *
Chung Pui Lam *
Winston W.S. Chow

* Independent non-executive director

In accordance with the Company's Bye-Laws, one third of the directors will retire from office each year and accordingly, Mr. Chow Kwen Ling and Mr. Stephen L.H. Ting will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

董事會報告

主要客戶及供應商

本年度本集團五大客戶所佔銷售額佔全年總銷售額48%，當中包括最大客戶所佔銷售額達20%。本集團五大供應商所佔採購額佔全年總採購額45%，當中包括最大供應商所佔採購額達17%。

本公司各董事或其聯繫人士或任何股東（就董事所知，擁有5%以上本公司已發行股本）概無持有該五大客戶及供應商之任何實益權益。

董事

年內本公司之董事如下：

周君令
周君廉
陳炳勳 *
周永成
周敬成
丁良輝 *
鍾沛林 *
周允成

* 獨立非執行董事

根據本公司之公司附例，每年有三份之一董事任滿依章告退，周君令先生及丁良輝先生將於即將舉行之股東週年大會任滿依章告退，兩位均願膺選連任。

REPORT OF THE DIRECTORS

DIRECTOR'S AND SENIOR MANAGEMENT'S BIOGRAPHIES

Chow Kwen Ling *Honorary Chairman*

Age 80. He is the elder brother of Dr. Chow Kwen Lim. As a founder of the Group, he served as the General Manager and Chairman of the Group from 1973 to 1986. He was elected the Honorary Chairman upon retiring as Chairman in 1990. He is well experienced in corporate management.

Dr. Chow Kwen Lim BBS, MBE, JP, DSSc (Hon) *Chairman*

Age 77. He has been the General Manager of the Group from 1986 to 1997, and the Chairman of the Group since 1990. As a founder of the Group, he has been in the jewellery business for over 55 years. He was awarded Doctor of Social Science, Honoris Causa by the Chinese University of Hong Kong in 1998 and is an Honorary Professor of the Fudan University, Member of the Board of the Journal of Shunde Polytechnic and Member of the Shunde People's Political Consultative Committee. He is also an Honorary Citizen respectively of the cities of Guangzhou, Foshan, Changle, Lanzhou and the city of Dunhuang, PRC.

Chan Bing Fun MB, BS, DMRT, FHKCR, FHKAM (Radiology)

Age 70. He has been a director of the Group for over 25 years. He is a medical doctor in private practice in Hong Kong.

Vincent W.S. Chow MBE, JP *Group General Manager*

Age 57. He is the son of Dr. Chow Kwen Lim. The Group General Manager since 1998, he has been with the Group for over 21 years. His public service includes memberships on the Public Service Commission, the Trade and Industry Advisory Board, the Council of the City University of Hong Kong. He serves on the Board of Governors of the Hong Kong Philharmonic Orchestra, and is the chairman of the Hong Kong Repertory Theatre. He is a member of the Shunde Political Consultative Committee.

Dr. Gerald K.S. Chow

Age 47. He is the elder brother of Mr. Winston W.S. Chow and has been a member of the board of directors since 1985. He is a dental surgeon in private practice in Hong Kong.

董事會報告

董事及高級管理人員簡歷

周君令 名譽董事長

八十歲。為周君廉博士之兄，本集團創辦人之一，1973至1986年曾任本集團董事會主席及總經理，1990年起任本集團名譽董事長，對企業管理，經驗豐富。

周君廉 博士 BBS, MBE, 太平紳士, DSSc (Hon) 主席

七十七歲。1986至1997年為集團總經理，1990年起任董事會主席。本集團創辦人之一，經營珠寶業務超過五十五年。1998年獲香港中文大學授予榮譽社會科學博士名銜，現任上海復旦大學名譽教授、順德職業技術學院校董及廣東省順德政協常委，並為廣州市、佛山市、長樂市、蘭州市及敦煌市榮譽市民。

陳炳勳 MB, BS, DMRT, FHKCR, FHKAM (Radiology)

七十歲。為香港私人執業醫生，已加入本集團董事會超過二十五年。

周永成 MBE, 太平紳士 集團總經理

五十七歲。為周君廉博士之子。1998年就任本集團總經理，在集團服務超過二十一年。公職包括公務員敘用委員會委員、工業貿易署諮詢委員會委員、香港城市大學校董、香港管弦樂團監察委員會委員及香港話劇團主席，現任人民政治協商會佛山市順德區委員。

周敬成

四十七歲。為周允成先生之兄，香港私人執業牙科醫生。自1985年起任本集團董事。

REPORT OF THE DIRECTORS

DIRECTOR'S AND SENIOR MANAGEMENT'S BIOGRAPHIES (continued)

Stephen L.H. Ting FCCA, FHKSA, FTIHK, CPA

Age 50. He is an accountant in practice as Managing Partner of Ting Ho Kwan & Chan, Certified Public Accountants. He is also an independent non-executive director of six listed companies namely Tong Ren Tang Technologies Company Limited, eForce Holdings Limited, REXCAPITAL International Holdings Limited, Tongda Group Holdings Limited, Oriental Metals (Holdings) Company Limited and MACRO-LINK International Holdings Limited. He is a Member of the 9th Chinese People's Political & Consultative Conference, Fujian. He has been a director of the Group since 1990.

Chung Pui Lam OBE, JP, LL.B (Hons) (Lond.) A.C.I. Arb

Age 63. He is a solicitor in practice. Apart from being a China-appointed Attesting Officer, he also holds key posts in various organisations. He has been a director of the Group since 1995. He is serving as member on several advisory committees of the Government of the HKSAR.

Winston W.S. Chow *Group Deputy General Manager*

Age 46. He is the younger brother of Mr. Gerald K.S. Chow and had experience in real estate in Canada. His key responsibilities include the marketing of the Group's jewellery business in the Mainland China, Hong Kong and Taiwan. He has been a director of the Group for over 15 years. He also acts as the Vice-Chairman of the Diamond Federation of Hong Kong, China, Governing Council Member of the Association of Better Business & Tourism Services, Member of the Hong Kong Trade Development Council Jewellery Advisory Committee, and Member of the Travel Industry Council Consumer Relations Committee.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事會報告

董事及高級管理人員簡歷(續)

丁良輝 FCCA, FHKSA, FTIHK, CPA

五十歲。為執業會計師，現任丁何關陳會計師行執行合夥人，亦為六間上市公司之獨立非執行董事，分別為北京同仁堂科技發展股份有限公司、意科控股有限公司、御泰國際控股有限公司、通達集團控股有限公司、東方鑫源(集團)有限公司及新華聯國際控股有限公司。現任中國人民政治協商會議第九屆福建省委員會委員。於1990年加入本集團董事會。

鍾沛林 OBE, 太平紳士, LL.B (Hons) (Lond.) A.C.I. Arb

六十三歲。為執業律師。除身為中國司法部委託公證人，亦在多個團體擔任要職，於1995年加入本集團董事會。現任多個香港特別行政區政府的諮詢委員會委員。

周允成 集團副總經理

四十六歲。為周敬成先生之弟。曾於加拿大從事地產業。專責統籌中國內地、香港及台灣首飾的市場事務。擔任本集團董事超過十五年。現時亦擔任香港鑽石總會副主席、旅遊服務業協會執行委員會委員、香港貿易發展局珠寶業諮詢委員會委員及香港旅遊業議會消費者關係委員會委員之職務。

董事之服務合約

於即將舉行之股東週年大會上建議連任之董事，其與本公司訂立之服務合約概可於一年內為本公司終止，本公司就此無須支付法定賠償以外之補償。

董事於合約之權益

各董事概無於年內本公司或其任何附屬公司所訂立而對本集團業務重要之任何重大合約中直接或間接擁有重大實益權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN SHARES

At 31 December 2003, the interests of the directors in the issued share capital 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 required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

董事於股本之權益

於2003年12月31日，根據《證券及期貨條例》第XV部第352條本公司須予保存之名冊內，或根據上市公司董事進行證券交易之標準守則必須向本公司及香港聯合交易所有限公司（「聯交所」）申報之權益，各董事於本公司或其聯營公司（定義見《證券及期貨條例》第XV部）已發行股本中之權益如下：

Name of director	Number of shares held 持有數目				Total	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
	Personal Interest	Family Interest	Corporate Interest	Trustee Interest		
董事	個人權益	家族權益	公司權益	信託人權益	總數	
Chow Kwen Ling 周君令	-	-	37,253,300 ⁽³⁾	-	37,253,300	7.43
Chow Kwen Lim 周君廉	-	-	-	114,659,663 ⁽¹⁾	114,659,663	22.86
Chan Bing Fun 陳炳勳	1,100,000	-	-	-	1,100,000	0.22
Vincent W.S. Chow 周永成	-	-	-	114,659,663 ⁽¹⁾	114,659,663	22.86
Gerald K.S. Chow 周敬成	16,406,400	78,665 ⁽⁴⁾	-	70,000,000 ⁽²⁾	86,485,065	17.24
Winston W.S. Chow 周允成	16,080,920	64,000 ⁽⁵⁾	-	70,000,000 ⁽²⁾	86,144,920	17.17

Note:

Refer to the explanatory notes in the section headed "Substantial shareholders' and other persons' interests in shares and underlying shares".

Save as disclosed above, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

附註：

參考「主要股東及其他人士於股本及相關股本之權益」之附註。

除上文披露外，各董事概無擁有根據《證券及期貨條例》第XV部第352條規定須予記錄之本公司或其聯營公司股份、相關股份或債券中擁有任何權益或淡倉，或根據上市公司董事進行證券交易之標準守則必須向本公司及聯交所申報之權益。

董事購買股份或債券之權利

年內概無授予任何董事或其配偶或年幼子女以購入本公司股份或債券而獲益之權利；或由其行使該等權利；或由本公司或其任何附屬公司安排致令董事可於其他法人團體獲得該等權利。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2003, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
姓名或名稱	身份及權益性質	持有普通股數目	
Everwin Company Limited	Beneficial Owner 實益持有人	114,659,663 ⁽¹⁾	22.86
Cititrust (Jersey) Limited	Trustee 信託人	114,659,663 ⁽¹⁾	22.86
Bermuda Trust (Cook Island) Limited	Trustee 信託人	70,018,000 ⁽²⁾	13.96
Top Fit Investments Limited	Beneficial Owner 實益持有人	35,000,000 ⁽²⁾	6.98
Happy Family Limited 快樂家庭有限公司	Beneficial Owner 實益持有人	37,253,300 ⁽³⁾	7.43
Happy Inc.	Beneficial Owner 實益持有人	55,000,000 ⁽⁶⁾	10.96
Value Partners Limited 惠理基金管理公司	Investment Manager 投資經理	34,434,000 ⁽⁷⁾	6.86
Cheah Cheng Hye 謝清海	Interest of controlled corporation 所控制公司之權益	34,434,000 ⁽⁷⁾	6.86

Notes:

(1) 114,659,663 shares in the Company were held by Everwin Company Limited, a company beneficially owned by a discretionary trust of which Mr. Chow Kwen Lim and Mr. Vincent W.S. Chow were among the beneficiaries. The trustee of the trust was Cititrust (Jersey) Limited and, accordingly, the shares in which Everwin Company Limited was shown to be interested were also included in which Cititrust (Jersey) Limited was shown to be interested. Mr. Chow Kwen Lim and Mr. Vincent W.S. Chow, and their respective spouses, were deemed to have interests in the 114,659,663 shares in the Company.

主要股東及其他人士於股本及相關股本之權益

於2003年12月31日，根據《證券及期貨條例》第XV部第336條，本公司須予保存之權益名冊內記錄擁有本公司股本5%或以上之權益如下：

好倉：

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
姓名或名稱	身份及權益性質	持有普通股數目	
Everwin Company Limited	Beneficial Owner 實益持有人	114,659,663 ⁽¹⁾	22.86
Cititrust (Jersey) Limited	Trustee 信託人	114,659,663 ⁽¹⁾	22.86
Bermuda Trust (Cook Island) Limited	Trustee 信託人	70,018,000 ⁽²⁾	13.96
Top Fit Investments Limited	Beneficial Owner 實益持有人	35,000,000 ⁽²⁾	6.98
Happy Family Limited 快樂家庭有限公司	Beneficial Owner 實益持有人	37,253,300 ⁽³⁾	7.43
Happy Inc.	Beneficial Owner 實益持有人	55,000,000 ⁽⁶⁾	10.96
Value Partners Limited 惠理基金管理公司	Investment Manager 投資經理	34,434,000 ⁽⁷⁾	6.86
Cheah Cheng Hye 謝清海	Interest of controlled corporation 所控制公司之權益	34,434,000 ⁽⁷⁾	6.86

附註：

(1) Everwin Company Limited擁有本公司114,659,663股股份，該公司由一項酌情信託擁有，周君廉先生及周永成先生為該項酌情信託之其中受益人。Cititrust (Jersey) Limited為該項酌情信託之信託人，因此，Everwin Company Limited之權益亦包括在Cititrust (Jersey) Limited之權益內。周君廉先生及周永成先生及彼等之配偶均被視作擁有本公司114,659,663股股份。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

- (2) 70,000,000 shares in the Company were held by a discretionary trust of which Mr. Gerald K.S. Chow and Mr. Winston W.S. Chow were the beneficiaries. The trustee of the trust was Bermuda Trust (Cook Island) Limited. Bermuda Trust (Cook Island) Limited owned the interests in the Company through the following companies:

Name of company 公司名稱	Number of shares 股份數目
Top Fit Investments Limited	35,000,000
Blossom Investments Limited	17,500,000
Speed Star Holdings Limited	17,500,000

Accordingly, the shares in which Top Fit Investments Limited was shown to be interested were also included in which Bermuda Trust (Cook Island) Limited was shown to be interested. Mr. Gerald K.S. Chow and his spouse were deemed to have interests in the 70,078,665 shares and 86,426,400 shares in the Company, respectively. Mr. Winston W.S. Chow and his spouse were deemed to have interests in the 70,064,000 shares and 86,100,920 shares in the Company, respectively.

- (3) 37,253,300 shares in the Company were held by Happy Family Limited, of which Mr. Chow Kwen Ling and his spouse owned 40% of the equity interest. Mr. Chow Kwen Ling and his spouse were deemed to have interests in the 37,253,300 shares in the Company.
- (4) 78,665 shares in the Company were held by the spouse and minor children of Mr. Gerald K.S. Chow.
- (5) 64,000 shares in the Company were held by the spouse and minor children of Mr. Winston W.S. Chow.
- (6) 55,000,000 shares in the Company were held by Happy Inc., of which Mr. Chow Kwen Ling's family members (including children over 18 years of age) owned 40% of the equity interest.
- (7) 34,434,000 shares in the Company were held by Value Partners Limited, Mr. Cheah Cheng Hye is deemed to be interested in shares through his 31.82% interest in Value Partners Limited.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東及其他人士於股本及相關股本之權益 (續)

- (2) 一項酌情信託擁有本公司70,000,000股股份，周敬成先生及周允成先生為該項酌情信託之受益人。Bermuda Trust (Cook Island) Limited 為該項酌情信託之信託人。Bermuda Trust (Cook Island) Limited透過下列公司擁有該項權益：

因此，Top Fit Investments Limited之權益亦包括在Bermuda Trust (Cook Island) Limited之權益內。周敬成先生及其配偶分別被視作擁有本公司70,078,665股股份及86,426,400股股份。周允成先生及其配偶分別被視作擁有本公司70,064,000股股份及86,100,920股股份。

- (3) 快樂家庭有限公司持有本公司37,253,300股股份，其中周君令先生及其配偶共同擁有40%之股本權益。周君令先生及其配偶被視作擁有本公司37,253,300股股份。
- (4) 周敬成先生之配偶及年幼子女持有本公司78,665股股份。
- (5) 周允成先生之配偶及年幼子女持有本公司64,000股股份。
- (6) Happy Inc. 持有本公司55,000,000股股份，其中周君令先生之家族成員(包括年齡在18歲以上之子女)共同擁有40%之股本權益。
- (7) 惠理基金管理公司持有本公司34,434,000股股份，謝清海先生透過其於惠理基金管理公司擁有之31.82%權益被視為擁有股份權益。

除上文披露及以上「董事於股本之權益」涉及之本公司董事外，並無其他人士於本公司股本中登記持有根據《證券及期貨條例》第XV部第336條須予記錄之本公司權益、淡倉或相關股份。

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS

The connected transactions undertaken by the Group during the year are set out in notes (a) to (f) of note 36 to the financial statements.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms. The independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-Laws.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Code of Best Practice, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

AUDITORS

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

By Order of the Board

Chow Kwen Lim
Chairman

Hong Kong
29 March 2004

董事會報告

關連交易

年內本集團之關連交易詳載情於財務報告附註36 (a)至(f)。

最佳應用守則

董事認為，本公司於本年報所述之會計期間均已遵守香港聯合交易所有限公司上市規則（「上市規則」）附錄14所載之最佳應用守則，除了本公司之獨立非執行董事並無指定任期，獨立非執行董事須根據本公司之公司附例於本公司之股東週年大會上輪席告退及膺選連任。

審核委員會

本公司根據最佳應用守則已成立審核委員會，職務為檢討及監察本集團財務報告程序及內部監控工作。該審核委員會由本公司三位獨立非執行董事組成。

核數師

安永會計師事務所任滿告退，惟有關膺聘其留任之決議案將會提呈於即將舉行之股東週年大會。

承董事會命

主席
周君廉

香港
2004年3月29日