

# Report of the Directors

## 董事會報告

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

### LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

The Company's shares were listed on the Growth Enterprise Market ("GEM") of the Stock Exchange since 9 July 2001. During the year, the Company withdrew the listing of its shares on GEM. On 27 October 2003, the Company has by way of introduction listed its entire issued share capital on the Main Board of the Stock Exchange.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its subsidiaries are set out in note 27 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 32 of the annual report.

No interim dividend was paid to the shareholders during the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2003.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group and the Company are set out in note 12 to the financial statements.

### INVESTMENT PROPERTIES

Details of the movements during the year of the investment properties of the Group are set out in note 13 to the financial statements.

董事謹提呈截至二零零三年十二月三十一日止年度之年報及經審核財務報表。

### 於香港聯合交易所有限公司（「聯交所」）主板上市

本公司股份自二零零一年七月九日在聯交所創業板（「創業板」）上市。年內，本公司撤回其股份於創業板之上市地位。於二零零三年十月二十七日，本公司透過介紹方式，將其全部已發行股本在聯交所主板上市。

### 主要業務

本公司乃一間投資控股公司，其附屬公司之主要業務載於財務報表附註27。

### 業績及分派

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32頁綜合損益表。

年內，並無向股東派付任何中期股息。董事不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。

### 物業、廠房及設備

本集團及本公司於年內之物業、廠房及設備變動詳情載於財務報表附註12。

### 投資物業

本集團年內之投資物業變動詳情載於財務報表附註13。

# Report of the Directors

## 董事會報告

### PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

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

### SHARE OPTION SCHEME

Details of share option schemes of the Company are set out in note 20 to the financial statements.

No option has been granted by the Company since the adoption of the option schemes.

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

#### Executive directors:

Lao Seng Peng  
(Chairman)  
Cai Wei Min  
Yeh Tung Ming  
Wong Kin Ping (appointed on 28 May 2003)

#### Independent non-executive directors:

Sun Juyi  
Wong Stacey Martin (resigned on 31 July 2003)  
Lam Ming Yung  
Jiang Ming Le (appointed on 31 July 2003)

In accordance with the provisions of the Company's Articles of Association, Messrs. Lam Ming Yung, Wong Kin Ping and Jiang Ming Le will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

### 購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 購股權計劃

有關本公司購股權計劃之詳情載於財務報表附註20。

自採納購股權計劃以來，本公司並無授出任任何購股權。

### 董事及董事服務合約

年內及截至本報告日期止期間在任之本公司董事如下：

#### 執行董事：

劉勝平  
(主席)  
蔡偉民  
葉東明  
王建平 (於二零零三年五月二十八日獲委任)

#### 獨立非執行董事：

孫聚義  
黃偉誠 (於二零零三年七月三十一日辭任)  
林明勇  
蔣鳴樂 (於二零零三年七月三十一日獲委任)

根據本公司的公司組織章程細則條文，林明勇先生、王建平先生及蔣鳴樂先生將於應屆股東週年大會任滿告退，惟彼等合資格並願意膺選連任。

# Report of the Directors

## 董事會報告

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

Each of the executive directors has entered into a service agreement with the Company under which they are to act as executive directors for an initial term of three years commencing from their respective dates of appointment and shall continue thereafter until terminated by either party giving to the other not less than six calendar months' notice in writing. All executive directors are also entitled to a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to shareholders of the Company whenever for each year the audited consolidated net profit of the Group after taxation and minority interests but before extraordinary and exceptional items and before payment of the total directors' bonus payable exceeds HK\$60 million. The percentage shall be determined by the board of directors but in any case the aggregate amount payable in each financial year to all executive directors of the Company shall not exceed 6% of such profit.

Each of the independent non-executive Directors was appointed for a period of one year commencing from their respective appointment date and, upon expiry of their appointment, their appointment will be renewed on a yearly basis unless terminated.

Saved as disclosed above, none of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 董事及董事服務合約 (續)

各執行董事均已與本公司訂立服務協議。彼等據此擔任執行董事的初步年期自其各自獲委任日期起計為期三年，期滿後繼續有效，直至任何一方向另一方發出不少於六個曆月書面通知終止為止。所有執行董事亦有權享有本公司股東應佔本集團經審核綜合盈利某一百分比數額作為酌情花紅，惟僅會於本集團各年的經審核綜合盈利淨額（已扣除稅項及少數股東權益後，惟不計及非經常及特殊項目，且未計及支付予所有董事的花紅總額）超過60,000,000港元才予以支付。該百分比由董事會釐定，惟本公司於各財政年度應付所有執行董事的花紅總額不得超過該等盈利6%。

各獨立非執行董事之任期由其各自獲委任日期起計至任期屆滿止，為期一年，除非彼等之委任予以終止，否則將每年續期。

除上文披露者外，概無擬於應屆股東週年大會上膺選連任之董事與本公司或其任何附屬公司訂有任何不可由本集團於一年內終止而毋須作出賠償之服務合約（法定賠償除外）。

# Report of the Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2003, the interests of the directors and chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

#### Long positions in the shares of the Company

Name of director 董事姓名	Capacity 身分
--------------------------	----------------

Lao Seng Peng ("Mr. Lao") 劉勝平 (「劉先生」)	Held by controlled corporation 由受控法團持有
--	---

*Note:* These shares were held by Best Today Investments Limited ("Best Today"), a company incorporated in the British Virgin Islands and wholly owned by Mr. Lao. Mr. Lao was deemed to have interests in the shares of the Company by virtue of being the legal and beneficial owner of the entire issued share capital of Best Today.

Other than as disclosed above, none of the directors or chief executive or any of their associates, had any relevant interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2003.

### 董事及行政總裁於股份、相關股份及債券之權益

於二零零三年十二月三十一日，各董事及行政總裁及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或(b)須記錄於根據證券及期貨條例第352條所規定存置之登記冊之權益；或(c)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：

#### 本公司股份之好倉

Number of shares 股份數目	Percentage of shareholding 持股百分比
--------------------------	--

1,169,479,600 ( <i>note</i> ) (附註)	68.80%
---------------------------------------	--------

*附註：* 此等股份由於英屬處女群島註冊成立之 Best Today Investments Limited (「Best Today」) 持有，該公司由劉先生全資擁有。由於劉先生為 Best Today 全部已發行股本之合法及實益擁有人，因而被視為於本公司股份中擁有權益。

除上文披露者外，於二零零三年十二月三十一日，各董事或行政總裁或彼等任何聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何有關權益或淡倉。

# Report of the Directors

## 董事會報告

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance, to which the Company, its holding company or any of 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.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests disclosed above in respect of the directors and chief executive, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital as at 31 December 2003.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for about 38% of the turnover of the Group and the largest customer accounted for about 9% of the total turnover.

The five largest suppliers of the Group in aggregate accounted for about 100% of its operating costs for the year. Purchases from the largest supplier accounted for about 95% of its operating costs.

At no time during the year did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) has any interest in any of the Group's five largest customers or suppliers for the financial year ended 31 December 2003.

All transactions between the Group and its customers were carried out on normal commercial terms.

### 購買股份或債券之安排

於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

### 董事於重大合約之權益

於年結日或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有本公司董事直接或間接擁有重大權益之重大合約。

### 主要股東

於二零零三年十二月三十一日，除上文披露有關董事及行政總裁之權益外，本公司根據證券及期貨條例第336條存置之主要股東名冊顯示，本公司並無獲通知有任何其他人士於二零零三年十二月三十一日擁有本公司已發行股本5%或以上權益。

### 主要客戶及供應商

年內，本集團五大客戶佔本集團營業額約38%，而最大客戶佔總營業額約9%。

本集團五大供應商合共佔本年度經營成本約100%，而向最大供應商之採購佔其經營成本約95%。

於年內任何時間，本公司董事、董事之聯繫人士或任何股東（就董事所知，擁有本公司5%以上股本之股東）概無於本集團截至二零零三年十二月三十一日止財政年度之五大客戶或供應商中擁有任何權益。

本集團與客戶之所有交易均按照一般商業條款進行。

# Report of the Directors

## 董事會報告

### RETIREMENT BENEFIT SCHEME

The Group strictly complies with the Mandatory Provident Fund Ordinance in making mandatory contributions for its staffs in Hong Kong and staff retirement fund for those staff in the People's Republic of China.

### CORPORATE GOVERNANCE

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which oblige the Company to offer new shares on pro-rata basis to existing shareholders.

### COMPETING INTERESTS

None of the directors of the Company and their respective associates (as defined in the Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

### 退休福利計劃

本集團嚴格遵照強制性公積金條例，就香港員工作出強制性公積金供款，並為中華人民共和國之員工作出員工退休金供款。

### 公司管治

本公司於年內一直遵守聯交所證券上市規則（「上市規則」）附錄14所載最佳應用守則。

### 優先購買權

本公司之公司組織章程細則或開曼群島法例並無有關優先購買權之規定，本公司毋須按比例向現有股東提呈新股份。

### 競爭性權益

本公司董事及彼等各自之聯繫人士（定義見上市規則）概無於對本集團之業務構成或可能構成競爭之業務中擁有權益。

# Report of the Directors

## 董事會報告

### SPONSOR'S INTERESTS

Pursuant to the agreement dated 10 July 2001 entered into between the Company and Core Pacific – Yamaichi Capital Limited ("CPY Capital"), whereby, for a fee, CPY Capital will act as the Company's sponsor for the period from 9 July 2001 to 31 December 2003. On 19 March 2003, the sponsor agreement was terminated.

As notified by CPY Capital, a wholly-owned subsidiary of Core Pacific-Yamaichi International (H.K.) Limited, an associate (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) of CPY Capital, held 512,000 shares in the Company during the period from 1 January 2003 to 18 March 2003. Save as disclosed herein, neither CPY Capital nor its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the share capital of the Company during the period from 1 January 2003 to 18 March 2003.

Pursuant to an agreement dated 20 February 2003, entered into between the Company and MasterLink Securities (Hong Kong) Corporation Limited ("MasterLink"), whereby, for a fee, MasterLink will act as the Company's sponsor for the period from 19 March 2003 to 31 December 2003. The sponsor agreement was terminated with effect from 1 November 2003.

As notified by MasterLink, MasterLink, its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) did not have any interests in the securities of the Company or any members of the Group, or any rights to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group during the period from 19 March 2003 to 31 October 2003.

### AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Lao Seng Peng**  
Chairman

15 April 2004

### 保薦人權益

根據本公司與京華山一企業融資有限公司（「京華山一」）於二零零一年七月十日訂立之協議，京華山一於二零零一年七月九日起至二零零三年十二月三十一日止期間出任本公司之保薦人，並收取費用。於二零零三年三月十九日，保薦人協議終止。

按京華山一知會，於二零零三年一月一日至二零零三年三月十八日期間，京華山一國際（香港）有限公司之全資附屬公司（京華山一之聯繫人士，創業板上市規則第6.35條附註3所述者）持有本公司512,000股股份。除本文披露者外，於二零零三年一月一日至二零零三年三月十八日期間，京華山一、其董事、僱員或聯繫人士（創業板上市規則第6.35條附註3所述）概無於本公司股本中持有任何權益。

根據本公司及元富證券（香港）有限公司（「元富」）所訂立日期為二零零三年二月二十日之協議，元富將於二零零三年三月十九日至二零零三年十二月三十一日期間，出任本公司保薦人，並收取費用。保薦人協議自二零零三年十一月一日起終止。

按元富知會，於二零零三年三月十九日至二零零三年十月三十一日期間，元富、其董事、僱員或聯繫人士（創業板上市規則第6.35條附註3所述）概無於本公司或本集團任何成員公司證券中持有任何權益或可認購或指派他人認購本公司或本集團任何成員公司證券之權利。

### 核數師

本公司將於股東週年大會提呈決議案續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

**劉勝平**  
主席

二零零四年四月十五日