



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

董事會謹提呈本公司及本集團截至二零零三年十二月三十一日止年度之董事會報告書及經審核財務報表。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務詳情載於財務報表附註17。年內，本集團主要業務之性質並無重大變動。

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 28 to 99.

業績及股息

本集團截至二零零三年十二月三十一日止年度內之溢利，以及本公司及本集團於該日之狀況載於財務報表第28頁至第99頁內。

The directors do not recommend the payment of any dividend in respect of the year.

董事會不建議派發本年度任何股息。

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 on page 100. This summary does not form part of the audited financial statements.

財務資料概要

本集團過去五個財政年度之已公佈之業績及摘錄自經審核財務報表並重新分類(如適用)之資產與負債概要載於本年報第100頁。該概要並非經審核財務報表之組成部份。

FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 14 to the financial statements.

固定資產

本集團固定資產變動詳情載於財務報表附註14內。



SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and movements in the Company's share options during the year are set out in notes 29 and 30 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws/articles of association 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 31 to the financial statements and in the consolidated summary statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2003, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$73,629,000. In addition, the Company's share premium account, in the amount of HK\$72,641,000, may be distributed in the form of fully paid bonus shares.

股本及購股權

年內本公司股本及購股權變動詳情載於財務報表附註29及30內。

優先認股權

本公司之公司附例／組織章程或百慕達法例並無關於優先購股權之規定，故本公司毋須向現有股東按持股比例發售新股。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

儲備

年內本公司及本集團儲備變動詳情分別載於財務報表附註31以及綜合權益變動概要報表內。

可供分派儲備

於二零零三年十二月三十一日，根據百慕達一九八一年公司法（修訂本）計算，可供分派之本公司儲備為73,629,000港元。此外，本公司股份溢價帳72,641,000港元可以繳足股款紅股方式分派。



MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 50% of the total sales for the year and sales to the largest customer included therein amounted to approximately 18%.

Purchases from the Group's five largest suppliers accounted for approximately 41% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 13%.

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 or suppliers.

DIRECTORS

The directors of the Company during the year were:

Executive directors

Chan Ho Sing
Ko Pak On

Independent non-executive directors

Li Sau Hung, Eddy
Lo Kwok Kwei, David

In accordance with clause 87 of the Company's bye-laws, Ko Pak On will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

主要客戶及供應商

於回顧年度，對本集團首五大客戶之銷售額佔本集團年內總銷售額約50%，而對其中所包括之最大客戶之銷售額則約達18%。

年內，向本集團首五大供應商之採購佔本年度總採購額約41%，而向其中所包括之最大供應商之採購額則約達13%。

就各董事所知，概無本公司董事、其聯繫人士或股東知悉擁有本公司5%以上已發行股本之股東，於本集團首五大客戶或供應商中擁有任何實益權益。

董事

年內之本公司董事為：

執行董事

陳浩成
高伯安

獨立非執行董事

李秀恒
羅國貴

根據本公司公司附例第87條，高伯安將於應屆股東週年大會上輪值告退，惟合資格並願意膺選連任。



DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 15 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Chan Ho Sing entered into a service contract with the Company for an initial term of three years commencing on 1 January 2003 and thereafter until terminated by either party giving to the other not less than six months' notice in writing terminating on or after the expiry of the initial term of three years.

Subsequent to the balance sheet date, Ko Pak On entered into a service contract with the Company for an initial term of three years commencing on 1 January 2004 and thereafter until terminated by either party giving to the other not less than two months' notice in writing terminating on or after the expiry of the initial term of three years.

Apart from the foregoing, 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 of the Company had a material interest, whether 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.

董事及高級管理人員之履歷

本公司董事及本集團高級管理人員之履歷載於年報第14至15頁。

董事服務合約

陳浩成與本公司已簽訂服務合約，由二零零三年一月一日起為期三年及可於三年期屆滿或之後由合約任何一方作出不少於六個月之通知予以終止。

結算日後，高伯安與本公司已簽訂服務合約，由二零零四年一月一日起為期三年及可於三年屆滿或之後由合約任何一方作出不少於兩個月之通知予以終止。

除上文所披露者外，於應屆股東週年大會上擬膺選連任之董事，概無與本公司訂立任何不可於一年內由本公司終止而毋須作賠償（除法定賠償外）之服務合約。

董事之合約權益

本公司各董事概無於本公司或附屬公司在年內所訂立並對本集團業務影響重大之任何合約中直接或間接擁有重要實質權益。



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

董事於股份及相關股份之權益及淡倉

At 31 December 2003, the interests and short positions of the directors and their associates in the shares and underlying shares 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 by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for the Securities Transactions by Directors of Listed Companies were as follows:

於二零零三年十二月三十一日，本公司各董事及彼等之聯繫人士於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及相關股份中擁有之權益及淡倉而須記入本公司根據證券及期貨條例第352條須存置的登記冊內或根據證券及期貨條例第XV部第7及8分部上市公司董事進行證券交易的標準守則而須知會本公司及聯交所之權益或淡倉如下：

Long positions in the ordinary shares of the Company:

本公司普通股好倉：

Number of shares and underlying shares held, capacity and nature of interest

所持股份及相關股份數目、身份及權益性質

Name of director	Notes	Directly beneficially owned	Through spouse or minor children 透過配偶或 未成年子女	Through controlled corporation	Founder of a trust	Total	Percentage
							of the Company's issued share capital 佔本公司已發行 股本之百分比
董事姓名	附註	直接實益擁有	未成年子女	透過受控制法團	信託之成立人	總計	股本之百分比
Chan Ho Sing	陳浩成 (a)	-	-	-	179,734,000	179,734,000	48.1
Chan Ho Sing	陳浩成 (b)	-	5,500,000	-	-	5,500,000	1.5
Chan Ho Sing	陳浩成	17,500,000	-	-	-	17,500,000	4.7
Ko Pak On	高伯安	2,200,000	-	-	-	2,200,000	0.6
		<u>19,700,000</u>	<u>5,500,000</u>	<u>-</u>	<u>179,734,000</u>	<u>204,934,000</u>	<u>54.9</u>

Notes:

附註：

(a) These shares are owned by Man Yue Holdings Inc., a company incorporated in the Bahamas, the entire issued share capital of which is ultimately beneficially owned by the family trust of Chan Ho Sing.

(a) 該等股份為由Man Yue Holdings Inc. (一間於巴哈馬註冊成立之公司) 擁有；其全部已發行股本乃由陳浩成家族信託基金最終實益擁有。

(b) The interests through spouse represent share options held by Kee Chor Lin, the spouse of Chan Ho Sing.

(b) 透過配偶持有之權益為陳浩成之配偶紀楚蓮所持有之購股權。



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

(continued)

In addition to the above, Chan Ho Sing has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above and as disclosed under the heading "Directors' rights to acquire shares", none of the directors had registered interests 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.

The interests of the directors in the share options of the Company are separately disclosed in note 30 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above and in the share option scheme disclosure in note 30 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in 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.

董事於股份及相關股份之權益及 淡倉 (續)

除此之外，陳浩成為本公司利益，以非實益個人股本權益方式持有若干附屬公司，目的僅為符合最低公司股東人數。

除上述披露者及「董事購買股份之權利」一節所披露者外，概無董事於本公司或其相聯法團之股份、相關股份及債券擁有登記權益或淡倉而須記入根據證券及期貨條例第352條須存置的登記冊內或根據上市公司董事進行證券交易的標準守則而須知會本公司及聯交所之權益或淡倉。

董事於本公司購股權之權益於財務報表附註30另行披露。

董事購買股份之權利

除上文「董事於股份及相關股份之權益及淡倉」所披露者及財務報表附註30購股權計劃之披露外，概無本公司董事或彼等各自之配偶或未成年子女可藉購入本公司之股份而獲益之權利；彼等亦無行使該等權利；本公司或其任何附屬公司概無參與任何安排，致使本公司董事可獲得對其他法人團體有關權利。



SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士之股份及相關股份權益及淡倉

At 31 December 2003, the following interests and short positions of 5% or more of the 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:

於二零零三年十二月三十一日，就本公司根據證券及期貨條例第336條規定而存置之登記冊記錄，持有本公司股本5%或以上權益之人士如下：

Long positions:

好倉：

Name		Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱		身份及權益性質	所持普通股數目	佔本公司已發行股本之百分比
Man Yue Holdings Inc.	Note 1 附註1	Beneficial interest 實益權益	179,734,000	48.1
Li Tung Lok 李同樂		Beneficial interest 實益權益	47,760,000	12.8
Kingsway International Holdings Limited	Note 2 附註2	Interest through controlled corporations 透過受控制法團	20,672,000	5.5

Note 1: Man Yue Holdings Inc. is ultimately beneficially owned by the family trust of Chan Ho Sing.

附註1：Man Yue Holdings Inc由陳浩成先生之家族信託基金最終實益擁有。

Note 2: Choi Koon Shum, Jonathan is deemed to be interested in 20,672,000 shares of the Company which are held through Kingsway International Holdings Limited.

附註2：蔡冠深透過持有 Kingsway International Holdings Limited被視作擁有20,672,000股之本公司股份權益。

The details of the share options outstanding during the year are separately disclosed in note 30 to the financial statements.

年內未行使購股權之詳情已於財務報表附註30另文披露。



SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying 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.

CONNECTED TRANSACTIONS

During the year, conditional waivers have been granted by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for strict compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") by the Company in respect of the connected transactions entered into by the Group as set out in note 36(b)(i) to the financial statements under the heading of "Related party transactions".

These connected transactions have been reviewed by the independent non-executive directors of the Company who have confirmed that these transactions were entered into by the Group in the ordinary and usual course of business and on normal commercial terms, are fair and reasonable so far as the shareholders of the Company are concerned, in accordance with the terms of the agreements governing such transactions (or where there is no such agreement, on terms no less favourable than terms available to third parties), and within the maximum amount as agreed with the Stock Exchange.

主要股東及其他人士之股份及相關股份權益及淡倉 (續)

除上述所披露者及已於上文「董事於股份及相關股份之權益及淡倉」一節所載之本公司董事權益外，並無任何人士根據證券及期貨條例第336節登記所持本公司股份及相關股份之權益或淡倉。

關連交易

年內，本公司已獲香港聯合交易所有限公司（「聯交所」）有條件豁免嚴格遵照香港聯合交易所有限公司證券上市規則（「上市規則」）對本集團進行之關連交易（詳於財務報表附註36(b)(i)「關連人士交易」一節）的規定。

本公司之獨立非執行董事已審閱該等關連交易，並已確認該等交易乃由本集團於日常業務過程中按一般商業條款，對本公司股東而言屬公平合理，根據規管該等交易協議之條款（或倘無有關協議，以不遜於提供予第三者之條款）訂立，而所涉及金額亦不超過與聯交所所協定之最高金額。



CONNECTED TRANSACTIONS (continued)

The auditors of the Company have also confirmed to the board of directors that these transactions have received the approval of the Company's board of directors, have been entered into in accordance with the terms of the agreements governing these transactions (or where there is no such agreement, on terms no less favourable than terms available to third parties); and within the maximum amount as agreed with the Stock Exchange.

In addition to the above, the transaction as set out in note 36(b)(ii) to the financial statements under the heading "Related party transactions" is a connected transaction which was previously announced in the newspapers by the Company.

DISCLOSURES UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rules 13.18 and 13.21 of the Listing Rules, the following disclosures are included in respect of certain of the Group's loan agreements, which contain covenants requiring performance obligations of the controlling shareholder of the Company.

Pursuant to the loan agreements entered into between the Group and certain banks in October 2003 relating to a 36-month term loan facility of HK\$30,000,000 and a three-year term loan and revolving credit facility of HK\$150,000,000, a termination event would arise if:

- (a) Mr. Chan Ho Sing ("Mr. Chan") ceases to be the single largest beneficial shareholder of the Company;
 - (b) Mr. Chan ceases to be the chairman of the Group;
- or

關連交易 (續)

本公司核數師亦向董事會確認，該等交易已獲本公司董事會批准，並根據規管該等交易之協議之條款（或倘無有關協議，以不遜於提供予第三者之條款）訂立，而所涉及金額亦不超逾與聯交所協定之最高金額。

除上述者外，財務報表附註36(b)(ii)「關連人士交易」一項所列之交易，為本公司之前在報章公佈之關連交易。

根據上市規則第13.18及13.21條之披露

根據上市規則第13.18條及13.21條之披露規定，以下披露乃就本集團若干貸款協議而提供，有關協議載有本公司控股股東履行責任之契諾。

根據本集團與若干銀行於二零零三年十月就一筆為數30,000,000港元之36個月定期貸款融資及一筆為數150,000,000港元之三年期定期貸款及循環信貸額度訂立之貸款協議，如出現以下事件則會導致終止協議：

- (a) 陳浩成先生（「陳先生」）不再為本公司之單一最大實益股東；
- (b) 陳先生不再為本集團主席；或



DISCLOSURES UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES (continued)

- (c) Mr. Chan and/or his family members, related trust and companies controlled by him, ceases to be the largest beneficial owner of more than 40% (in aggregate) of the Company's issued capital.

AUDIT COMMITTEE

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

CODE OF BEST PRACTICE

None of the Directors is aware of any information which would indicate that the Company is not, or was not, in compliance with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited at any time during the year, except that the independent non-executive Directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's Bye-laws.

AUDITORS

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

ON BEHALF OF THE BOARD

Chan Ho Sing
Chairman

Hong Kong
20 April 2004

根據上市規則第13.18及13.21條之披露(續)

- (c) 陳先生及／或其家族成員、其控制之相關信託及公司不再擁有超過本公司已發行股本40%(合計)之單一實益擁有人。

審核委員會

本公司根據最佳應用守則之規定成立審核委員會，負責審閱及監察本集團之財務申報程序及內部監控。該委員會由本公司兩位獨立非執行董事組成。

最佳應用守則

董事概不知悉有任何資料可以顯示本公司現時或於年內任何時間並無遵守香港聯合交易所證券上市規則附錄14所載之最佳應用守則(「守則」)，惟本公司獨立非執行董事並非如守則第7段所規定般以指定任期委任，而是根據本公司之公司細則輪值告退除外。

核數師

安永會計師事務所已任滿告退，而重新委任彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

主席
陳浩成

香港
二零零四年四月二十日