



## Report of the Directors

The Directors have the pleasure of presenting the annual report together with the audited accounts of Forefront International Holdings Limited (hereinafter as the “Company”) and its subsidiaries (together with the Company hereinafter as the “Group”) for the year ended 31st December 2003.

### ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 10th September 1998 as an exempted company with limited liability under the Companies Law (Revised). Its shares have been listed on The Stock Exchange of Hong Kong Limited since 12th July 2001.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the trading of motor trucks, coaches and vehicles accessories, provision of motor vehicles repair and maintenance services, sale of fuel, provision of other motor vehicle related services, assembling of motor vehicles, motor vehicles financing business, development of smart card system and investment holding business. Other activities and particulars of the Group’s subsidiaries are set out in Note 11 to the accounts.

### CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2003, the five largest customers accounted for approximately 20% of the Group’s total turnover and the five largest suppliers of the Group accounted for approximately 78% of the Group’s total purchases. The largest customer of the Group was 統聯汽車客運股份有限公司 who accounted for approximately 6% of the Group’s turnover while the largest supplier was Scania CV AB (publ), a shareholder of the Company, who accounted for approximately 63% of the Group’s total purchases.

Save as disclosed above, none of the Directors, their associates, or any shareholders (which, to the knowledge of the Directors, owned more than 5% of the Company’s share capital) had a beneficial interest in the Group’s five largest customers or five largest suppliers.

## 董事會報告

董事欣然提呈福方國際控股有限公司(下文稱為「本公司」)及其附屬公司(連同本公司統稱為「本集團」)截至二零零三年十二月三十一日止年度之年報連同已審核帳目。

### 重組及主要業務

本公司於一九九八年九月十日在開曼群島根據開曼群島公司法(經修訂)註冊成立為獲豁免有限公司。本公司的股份已於二零零一年七月十二日在香港聯合交易所有限公司上市。

### 主要業務

本公司是一間投資控股公司，其附屬公司主要從事貨車、旅遊巴士及汽車零配件買賣；提供汽車維修保養服務；銷售燃油；提供其他汽車相關服務；組裝汽車；汽車融資業務、開發「智慧卡」系統及投資控股業務。本集團附屬公司之其他業務及詳情載於帳目附註11內。

### 客戶及供應商

截至二零零三年十二月三十一日止年度，五大客戶約佔本集團總營業額20%，本集團五大供應商約佔本集團總採購額78%。統聯汽車客運股份有限公司是本集團的最大客戶，約佔本集團營業額6%。本公司的股東Scania CV AB (publ)為本集團的最大供應商，約佔本集團總採購額63%。

除上文披露外，概無董事、彼等之聯繫人或任何股東(就董事知悉擁有本公司股本超過5%者)擁有本集團五大客戶或五大供應商之實益權益。



## Report of the Directors

### RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31st December 2003 are set out in the consolidated profit and loss account on page 37 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31st December 2003.

### SHARE CAPITAL AND SHARE OPTIONS

Details of movements in share capital and the share option scheme of the Company are set out in Notes 26 and 27, respectively, to the accompanying accounts.

### RESERVES

Movements in reserves of the Group and the Company during the year are set out in Note 28 to the accounts. Distribution reserves of the Company as at 31st December 2003 amounted to approximately HK\$188,822,000 (2002: HK\$240,696,000).

### CONVERTIBLE SECURITIES OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31st December 2003. There has been no exercise of convertible securities, options, warrants or other similar rights during the year ended 31st December 2003.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2003.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and the laws in the Cayman Islands.

## 董事會報告

### 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的業績詳情載於本年報第37頁之綜合損益帳內。

董事並不建議派付截至二零零三年十二月三十一日止年度的股息。

### 股本及購股權

本公司股本及購股權計劃之變動詳情分別載於附隨之帳目附註26及附註27內。

### 儲備

本集團及本公司在年度內之儲備變動情況載於附隨之帳目附註28內。於二零零三年十二月三十一日，本公司的可供分派儲備達約188,822,000港元（二零零二年：240,696,000港元）。

### 可換股證券、認購權、認股權證或其他相類權利

本公司於二零零三年十二月三十一日並無尚未行使的可換股證券、認購權、認股權證或其他相類權利。截至二零零三年十二月三十一日止年度，並無可換股證券、認購權、認股權證或其他相類權利獲行使。

### 購買、出售或贖回股份

截至二零零三年十二月三十一日止年度，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。

### 優先購買權

本公司的公司細則及開曼群島法律並無關於優先購買權的條文。



## Report of the Directors

### SUBSIDIARIES AND ASSOCIATED COMPANIES

Particulars of the Company's subsidiaries and associated companies are set out in Notes 11 and 12 to the accounts.

### PROPERTY AND EQUIPMENT

Details of movements in property and equipment during the year are set out in Note 13 to the accounts.

### BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31st December 2003 are set out in Notes 24 to the accounts.

### FIVE YEAR 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 pages 107 and 108 of the annual report.

### PENSION SCHEMES

Details of the pension schemes are set out in Note 23 to the accounts.

### CONNECTED TRANSACTIONS

Certain related party transactions disclosed in Note 3 to the accounts and other transaction constituted connected transactions under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). Details of such connected transactions are as follows:

**1. Rental expense paid to Forefront International Limited**

The Group has paid rental expense to Forefront International Limited amounting to HK\$5,397,000 for the year ended 31st December 2003.

The transactions are of a recurring in nature and continue to be conducted on normal commercial terms and constitute ongoing connected transaction of the Company under the Listing Rules.

## 董事會報告

### 附屬公司及聯營公司

本公司附屬公司及聯營公司的詳情載於附隨之帳目附註11及12內。

### 物業及設備

物業及設備在本年度的變動詳情載於附隨之帳目附註13內。

### 銀行貸款及其他借貸

本公司及本集團於二零零三年十二月三十一日之銀行貸款及其他借貸的詳情載於帳目附註24內。

### 五年財務資料摘要

本集團過去五個財政年度之業績及資產負債摘要載列於本年報第107及108頁內。

### 退休金計劃

退休金計劃之詳情載於附隨之帳目附註23內。

### 關連交易

根據香港聯合交易所有限公司證券上市規則（「上市規則」）第十四章，於帳目附註3所披露之若干關連人士交易及其他交易構成關連交易。該等關連交易詳情如下：

**1. 向福方股份有限公司支付之租金**

本集團在截至二零零三年十二月三十一日止年度已向福方股份有限公司支付為數5,397,000港元之租金。

該等交易屬經常性質並會繼續以一般商業條款予以進行，而根據上市規則之規定，構成本公司之持續關連交易。



## Report of the Directors

### 2. Purchase of telematics products from V-Guard Technology Limited (“V-Guard”)

The Group has purchased telematics products from V-Guard, a 93.7%-owned subsidiary of the Company, amounting to HK\$13,000 for the year ended 31st December 2003. These transactions are of a recurring nature and continue to constitute ongoing connected transactions of the Company under the Listing Rules. Prices charged by V-Guard to the Group were the same as price charged to independent third party customers of V-Guard.

## DIRECTORS AND DIRECTORS’ SERVICE CONTRACTS

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

### Executive directors

- Dr. Yang Chien-Nan, Chairman  
(appointed on 30th March 2004)
- Mr. Lee Mao Fang, Chief Executive  
(re-designated on 13th April 2004)
- Mr. So George Siu Ming
- Mr. Lu Gong
- Mr. Yang Chien Chi, Allen (resigned on 8th April 2004)

### Independent non-executive directors

- Mr. Lau Siu Ki, Kevin
- Mr. Cheong Ying Chew, Henry

### Non-executive directors

- Mr. Claes Torén (resigned on 15th March 2004)
- Mr. Liu Chen Wei, Jerry (resigned on 25th February 2004)

In accordance with the Articles of Association of the Company, Mr. Cheong Ying Chew, Henry and Mr. Lu Gong will retire from office and, being eligible, offer themselves for re-election. All other remaining directors continue in office.

## 董事會報告

### 2. 購買V-Guard Technology Limited (「V-Guard」) 之遙距傳訊產品

於截至二零零三年十二月三十一日止年度，本集團向V-Guard (本公司擁有93.7%權益附屬公司) 購買達13,000港元之遙距傳訊產品。該等交易屬經常及持續性質，而根據上市規則之規定，構成本公司之持續關連交易。V-Guard售予本集團之價格與V-Guard售予獨立第三方之價格相同。

## 董事及董事之服務合約

本年度及截至本報告發佈當日任職的董事如下：

### 執行董事

- 楊健男博士，主席  
(於二零零四年三月三十日任命)
- 李茂芳先生，行政總裁  
(於二零零四年四月十三日重新任命)
- 蘇少明先生
- 魯 恭先生
- 楊健志先生 (於二零零四年四月八日辭任)

### 獨立非執行董事

- 劉紹基先生
- 張英潮先生

### 非執行董事

- Claes Torén先生 (於二零零四年三月十五日辭任)
- 劉振偉先生 (於二零零四年二月二十五日辭任)

根據本公司的組織章程細則，張英潮先生及魯恭先生即將退任，惟合資格膺選連任。所有其他董事繼續留任。



## Report of the Directors

### Executive directors

Each of the executive Directors, other than Mr. Lu Gong, has entered into a service contract with the Company for an initial fixed term of three years commencing from 12th July 2001, and will continue thereafter until terminated by not less than six months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Mr. Lu Gong has entered into a service contract with the Company for an initial fixed term of three years commencing from 25th September 2002, and will continue thereafter until terminated by not less than six months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Other than these service contracts, none of the directors has an unexpired service contract with the Company, which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

### Independent non-executive directors

The independent non-executive directors were appointed by the board of directors not for specific terms. Their remuneration is determined by the board of directors on the anniversary of the date of their appointment.

## 董事會報告

### 執行董事

除魯恭先生外，各執行董事已與本公司簽訂自二零零一年七月十二日起，初步固定年期三年的服務合約，其後可繼續留任，直至任何一方向另一方發出不少於六個月的書面通知終止為止，此通知期不得在固定期限屆滿前屆滿。魯恭先生已與本公司簽訂自二零零二年九月二十五日起，初步固定年期三年的服務合約，其後可繼續留任，直至任何一方向另一方發出不少於六個月的書面通知終止為止，此通知期不得在固定期限屆滿前屆滿。除該等服務合約外，所有董事與本公司之間無任何尚未屆滿的服務合約，該等合約是本公司不可於一年內免付補償（法定補償除外）而終止。

### 獨立非執行董事

獨立非執行董事由董事會委任，並無特定任期，酬金由董事會在任命的週年日釐定。



## Report of the Directors

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES

As at 31st December 2003, the interests of the directors and their associates in the share capital of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance) as recorded in the register maintained by the Company pursuant to Part XV of the Securities and Futures Ordinance or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### 董事的股份權益

於二零零三年十二月三十一日，本公司根據證券及期貨條例第XV部存置之名冊所記錄，董事及其聯繫人於本公司及其相聯法團（定義見證券及期貨條例）之股本中所持有之權益或根據上市公司董事之證券交易標準守則以任何其他方式通知本公司及香港聯合交易所有限公司之權益如下：

Name 姓名	Nature of interests 權益性質	Number of shares 股份數目	% of voting right 投票權%
Lee Mao Fang 李茂芳	Family (Note 1) 家族(附註1)	3,041,832	0.69%
Yang Chien Chi, Allen 楊健志	Corporate (Note 2) 公司(附註2)	894,328	0.20%
	Corporate (Note 3) 公司(附註3)	122,588,805	27.75%
	Corporate (Note 4) 公司(附註4)	31,101,103	7.02%

Notes:

- (1) These shares were held by Mr Lee Mao Fang's spouse, Ms Cheng Mei Lin, and therefore Mr Lee Mao Fang was deemed by virtue of the SFO to be interested in these shares.
- (2) These shares were held by Golden Prosperity Profits Limited, which is owned as to 50% by Mr Yang Chien Chi, Allen, the then Chairman and Chief Executive of the Company, and as to 50% by Mr Yang Kwn San, the Honorary Chairman of the Group, and therefore Mr Yang Chien Chi, Allen was deemed by virtue of the SFO to be interested in these shares.
- (3) These shares were held by Forefront International Limited ("FIL"). Jetwide Limited, which owns 45% of the issued share capital of FIL, is wholly-owned by Mr Yang Chien Chi, Allen, and therefore Mr Yang Chien Chi, Allen was deemed by virtue of the SFO to be interested in these shares.
- (4) These shares were held by Sunshine Finance Co., Limited, which is owned as to 80.5% by FIL. Therefore, Mr. Yang Chien Chi, Allen was deemed by virtue of the SFO to be interested in these shares.

附註:

- (1) 該等股份乃由李茂芳先生之妻子鄭美玲女士持有，故根據證券及期貨條例，李茂芳先生被視為擁有該等股份之權益。
- (2) 該等股份乃由本公司前主席兼行政總裁楊健志先生及本集團名譽主席楊崑山先生各擁有50%之Golden Prosperity Profits Limited持有，故根據證券及期貨條例，楊健志先生被視為擁有該等股份之權益。
- (3) 該等股份乃由福方股份有限公司（「FIL」）持有。Jetwide Limited（擁有FIL的45%已發行股本）由楊健志先生全資擁有，故根據證券及期貨條例，楊健志先生被視為擁有該等股份之權益。
- (4) 該等股份乃由FIL擁有80.5%之勝山實業股份有限公司持有，故根據證券及期貨條例，楊健志先生被視為擁有該等股份之權益。



## Report of the Directors

Other than disclosed above, none of the directors nor the chief executive of the Company were interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations as at 31st December 2003.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company. Details of the scheme are set out in Note 27 to the accounts. As at 31st December 2003, no option has been granted to the Company's directors under the share option scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable any of the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the preceding paragraph, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party and in which any of the Company's directors or members of its management had a material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 董事會報告

除上文所披露外，於二零零三年十二月三十一日，本公司的董事或行政總裁概無於本公司或其相聯法團的任何股份、相關股份或債權證當中擁有任何權益或淡倉。

### 董事購買股份或債權證之權利

本公司設有購股權計劃，據此，本公司可向本集團僱員（包括本公司的執行董事）授出購股權，以認購本公司的股份。該計劃的詳情載於附隨之帳目附註27內。於二零零三年十二月三十一日，並無根據購股權計劃向本公司的董事授出任何購股權。

除上文所披露者外，於本年度任何時間內，本公司或其附屬公司或控股公司並無訂立任何安排，致令本公司董事或其管理層成員可藉購買本公司或任何其他法團的股份或債務證券（包括債權證）而獲益。

### 董事在合約之權益

除上段所披露者外，在本公司或其任何附屬公司或控股公司所訂立，並且於年結日或本年度內仍然生效及關於本集團業務之任何重大合約上，本公司董事或管理層成員並無直接或間接擁有任何重大權益。



## Report of the Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS

The following table set forth information regarding ownership of, and short positions in, the outstanding shares as at 31st December 2003 by those persons who beneficially own more than 5% of the issued shares, as recorded in the register maintained by the Company pursuant to Part XV of the Securities and Futures Ordinance.

### 主要股東

下表載列於二零零三年十二月三十一日，本公司根據證券及期貨條例第XV部存置之名冊所記錄，實益擁有已發行股份5%以上的人士於已發行股份之擁有權及淡倉。

Name 名稱	Number of shares (long position) 股份 (好倉) 數目	% of voting right (long position) 投票權 (好倉) 百分比	Number of shares (short position) 股份 (淡倉) 數目	% of voting right (short position) 投票權 (淡倉) 百分比
FIL (Note 1) (附註1)	153,598,908	34.77%	–	–
Jetwide Limited (Note 1) (附註1)	153,598,908	34.77%	–	–
Ever Wealth Management Limited (Note 2) (附註2)	101,341,829	22.94%	89,356,905	20.23%
Caisse Des Depots Et Consignation (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
CDC Holding Finance (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
Caisse Nationale Des Caisse Depargne Et De Prevoyance (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
CIE Financiere Eulia (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
CDC Ixis (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
Nexgen Financial Holdings Limited (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
Nexgen Re Limited (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
Nexgen Capital Limited (Note 3) (附註3)	72,432,931	16.40%	22,000,000	4.98%
Todaytech Asia Limited (Notes 2 & 4) (附註2及4)	45,778,683	10.36%	–	–
Sunshine Finance Co., Limited (Note 1)	31,010,103	7.02%	–	–
勝山實業股份有限公司 (附註1)				
Yangs Investment Limited	29,054,760	6.58%	–	–
Deutsche Bank Aktiengesellschaft	23,400,000	5.30%	–	–

Notes:

- (1) Jetwide Limited owns 45% of the issued share capital of FIL, which in turn owns 80.5% of the issued share capital of Sunshine Finance Co., Limited ("Sunshine"). Therefore these interests are duplicated to the extent of 184,609,011 shares.

附註:

- (1) Jetwide Limited擁有FIL已發行股本之45%，而FIL則擁有勝山實業股份有限公司(「勝山」)已發行股本之80.5%。故此該等權益涉及184,609,011股重疊的股份。





## Report of the Directors

(2) The issued share capital of Ever Wealth Management Limited (“Ever Wealth”) is beneficially owned as to 50% by Mr Yang Kwn San and as to the remaining 50% by his wife, Yang Wu Tsai Hsiu. The entire issued share capital of Todaytech Asia Limited (“Todaytech”) is owned by Ever Wealth. Therefore these interests are duplicated to the extent of 45,778,683.

(3) The issued share capital of Nexgen Capital Limited is wholly-owned by Nexgen Re Limited, which is in turn wholly-owned by Nexgen Financial Holdings Limited, which is in turn owned as to 39% by CDC Ixis, which is in turn owned as to 53% by CIE Financiere Eulia (“CIEFE”) and as to 43.55% by Caisse Des Depots Et Consignation (“CDDEC”).

The issued share capital of CIEFE is owned as to 49.9% by Caisse Nationale Des Caisse Depargne Et De Prevoyance (“CNDCEDEP”) and as to 50.1% by CDC Holding Finance.

The issued share capital of CNDCEDEP is owned as to 35% by CDC Holding Finance which is in turn wholly-owned by CDDEC.

Therefore the long position interests are duplicated to the extent of 507,030,517 shares and that the short position interests are duplicated to the extent of 154,000,000.

The long position interests consist of 23,952,000 shares beneficially owned by Nexgen Capital Limited and 48,480,931 shares holding a call option.

(4) These interests consist of 22,378,683 shares of the Company beneficially owned by Todaytech and interest in 23,400,000 shares pursuant to writing a put option to an independent third party.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

## 董事會報告

(2) Ever Wealth Management Limited (「Ever Wealth」) 的已發行股本由楊崑山先生及其妻子楊吳彩秀夫人各擁有50%實益權益。Todaytech Asia Limited (「Todaytech」) 的全部已發行股本由Ever Wealth擁有。故此該等權益涉及45,778,683股重疊的股份。

(3) Nexgen Capital Limited的已發行股本由Nexgen Re Limited全資擁有。Nexgen Re Limited則由Nexgen Financial Holdings Limited全資擁有。Nexgen Financial Holdings Limited由CDC Ixis擁有39%。CDC Ixis由CIE Financiere Eulia (「CIEFE」) 和Caisse Des Depots Et Consignation (「CDDEC」) 分別擁有53%及43.55%。

CIEFE的已發行股本由Caisse Nationale Des Caisse Depargne Et De Prevoyance (「CNDCEDEP」) 與CDC Holding Finance分別擁有49.9%及50.1%。

CNDCEDEP的已發行股本由CDC Holding Finance擁有35%。而CDC Holding Finance則由CDDEC全資擁有。

故此，好倉權益涉及507,030,517股重疊的股份，而淡倉權益則涉及154,000,000股重疊的股份。

好倉權益包括23,952,000股由Nexgen Capital Limited實益擁有的股份，及48,480,931股涉及認購權的股份。

(4) 該等權益包括22,378,683股由Todaytech實益擁有的股份，及23,400,000股涉及給予獨立第三方認沽權的股份。

## 管理合約

本年度，概無訂立或存在關於本公司全部或任何重大部分業務的管理或行政合約。



## Report of the Directors

## 董事會報告

### USE OF PROCEEDS

The net proceeds of the share offer in connection with the listing of the shares of the Company on the Stock Exchange were approximately HK\$92.8 million. All the proceeds has been applied in the following areas.

### 所得款項用途

本公司為股份在聯交所上市而進行股份發售，所得款項淨額約為92,800,000港元。部分所得款項在年內用作以下用途。

	<b>Originally planned</b> 原訂計劃 HK\$'000 千港元	<b>As amended</b> 經修訂 HK\$'000 千港元	Note 附註	<b>Amount utilised up to 31st December 2003</b> 截至二零零三年 十二月三十一日 已動用的款項 HK\$'000 千港元
Expansion of the Group's after sales services by establishing additional self-operated service centres and authorised service centres 通過設立額外自行操作的服務中心及特許服務中心而擴充本集團的售後服務	35,000	35,000		32,001
Expansion of the financing capabilities of Forefront Finance Co. Limited 擴充福方財務有限公司的融資能力	20,000	2,385	1	2,385
Expansion of the chain services provided by U-Drive Co. Limited in Hong Kong and setting up of U-Drive in Taiwan and in the PRC 擴充由香港任我行有限公司所提供的連鎖服務及在台灣和中國建立任我行業務	15,000	15,000		15,000
Development of and the further upgrading of the Group's information system and information technology 本集團信息系統和信息技術的開發和進一步提升	5,000	1,070	1	1,070
General working capital 一般營運資金	17,800	39,345		39,345
	<b>92,800</b>	<b>92,800</b>		<b>89,801</b>



## Report of the Directors

Note:

- (1) As disclosed in the press announcement on 25th September 2003, unused proceeds as of that date from 'Expansion of the financing capabilities of Forefront Finance Co. Limited' and 'Development of and the further upgrading of the Group's information system and information technology' in the amount of HK\$17,615,000 and HK\$3,930,000, respectively were reassigned to be used as additional general working capital.

### AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive directors of the Company. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

### CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice ("the Code") as set out in 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 but are subject to retirement by rotation in accordance with the Company's Articles of Association.

## 董事會報告

附註:

- (1) 誠如二零零三年九月二十五日公佈中所披露，於當日「擴展福方財務有限公司的融資能力」及「本集團信息系統和信息技術的開發和進一步提升」中尚未使用的所得款項（分別為17,615,000港元及3,930,000港元）已轉撥作為一般營運資金用途。

### 審核委員會

審核委員會由本公司兩位獨立非執行董事組成，主要職責是檢討和監督本集團的財務申報過程及內部監控程序。

### 最佳應用守則

董事認為，除本公司的獨立非執行董事的任命並無特定期限，而須依照本公司的組織章程細則輪席告退之外，本公司在本年報所涵蓋的整個會計期間一直遵守上市規則的最佳應用守則（「守則」）。



## Report of the Directors

### AUDITORS

In March 2002, the Company's former auditors resigned and the Directors appointed Messrs. Arthur Andersen & Co to fill the casual vacancy. In July 2002, Messrs. Arthur Andersen & Co combined their practice with Messrs. PricewaterhouseCoopers and the latter had replaced the former as auditors of the Company. Apart from this, there has been no change in auditors of the Group in any of the preceding three years.

The accompanying financial statements were audited by Messrs. PricewaterhouseCoopers. A resolution for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board of Directors,

**Yang Chien-Nan**

*Chairman*

Hong Kong, 26th April 2004

## 董事會報告

### 核數師

於二零零二年三月，本公司的前核數師辭任，董事遂任命安達信公司填補空缺。於二零零二年七月，安達信公司與羅兵咸永道會計師事務所合併業務，由後者代替前者出任本公司核數師。除此之外，在前三年內任何一年，本集團的核數師概無任何變動。

隨附帳目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會提呈決議案，重新任命羅兵咸永道會計師事務所為本公司來年度的核數師。

代表董事會

主席

**楊健男**

香港，二零零四年四月二十六日