

Report of the Directors

董事會報告書

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the Company is investment holding and the Group is principally engaged in the provision of media sales and management services for the Multi-media On-board (the "MMOB") business and the operation of media advertising management services through marketing advertising spaces on transit vehicle exteriors, shelters and outdoor signages.

Particulars of the Company's principal subsidiaries are set out in note 16 on the financial statements. The analysis of the geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 11 on the financial statements.

Financial statements

The profit of the Group for the year ended 31 December 2004 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 53 to 97 of this annual report.

Dividend

The Directors recommend the payment of a final dividend of HK1.4 cents per share for the year ended 31 December 2004 (2003: HK\$ Nil per share).

Fixed assets

Details of movements in fixed assets during the year are set out in note 12 on the financial statements.

Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in note 29 on the financial statements.

董事會同寅欣然提呈其截至二零零四年十二月三十一日止年度之年報及經審核財務報表，以供覽閱。

主要業務

本公司之主要業務為投資控股。集團主要從事提供流動多媒體（「流動多媒體」）業務的媒體銷售及管理服務，以及透過推銷客運車輛車身、候車亭及戶外廣告位，經營媒體廣告管理業務。

本公司主要附屬公司之資料刊載於財務報表附註16。本公司及其附屬公司在本財政年度之經營地區分析資料刊載於財務報表附註11。

財務報表

集團截至二零零四年十二月三十一日止全年之盈利與本公司及集團截至該日止之財政狀況刊載於本年報於第53頁至第97頁之財務報表內。

股息

董事會建議就截至二零零四年十二月三十一日止年度派發末期股息每股港幣1.4仙（二零零三年：每股港幣零港仙）。

固定資產

本年度內固定資產之變動詳情刊載於財務報表附註12。

儲備金

集團及本公司年內之儲備金變動詳情刊載於財務報表附註29。

Directors

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

John CHAN Cho Chak, GBS, JP	Chairman
Michael WONG Yick-kam	Deputy Chairman
Winnie J. NG	Group Managing Director
MAK Chun Keung	
Amanda LUI Yee Fai	
James Conrad LOUEY	
Anthony NG	
LAU Mei Mui, May	
YEN Shiao Hua, Sheridan	
Dr Eric LI Ka Cheung, GBS, OBE, JP*	Appointed on 16 September 2004
Carlye Wai-Ling TSUI, MBE, JP*	
HUI Ki On, GBS, CBE, QPM, CPM*	
LAU Shung Oi, Susanna	{Alternate Director to Mr Michael WONG Yick-kam}

(*Independent Non-Executive Director)

In accordance with Bye-Law 87, Mr Michael WONG Yick-kam, Mr James Conrad LOUEY, Mr Anthony NG and Ms Carlye Wai-Ling TSUI retire from the board by rotation and, being eligible, offer themselves for re-election.

Brief biographical details of the Directors of the Company are set out on pages 38 to 42 of this annual report.

Directors' service contracts

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事

於本財政年度及截至本年報日期止，董事會成員列報如下：

陳祖澤太平紳士	主席
黃奕鑑	副主席
伍穎梅	集團董事總經理
麥振強	
雷怡暉	
雷兆光	
伍永漢	
劉美梅	
晏孝華	
李家祥博士*	(於二零零四年九月十六日獲委任)
徐尉玲太平紳士*	
許淇安*	
劉崇藹	黃奕鑑先生之代行董事

(*獨立非執行董事)

根據公司附則第87條規定，黃奕鑑先生、雷兆光先生、伍永漢先生及徐尉玲女士依章輪值退任，惟願候選連任。

本公司董事之簡介刊載於本年報第38頁至第42頁。

董事之服務合約

本公司或其附屬公司並無與擬於即將舉行之股東週年大會上候選連任之董事訂立任何於一年內若本公司或其附屬公司終止其合約時，需作出賠償(除法定賠償外)之尚未屆滿的服務合約。

Directors' interests and short positions in shares, underlying shares and debentures

The Directors of the Company who held office at 31 December 2004 had the following interests in the shares of the Company, its holding companies, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of Directors' interests and short positions required to be kept under section 352 of the SFO:

(i) Interests in issued shares

Beneficial Interests 實益權益		The Company: Ordinary share of HK\$0.1 each 本公司：每股面值港幣 0.1 元之普通股				Total number of shares held 所持股份總數	% of total issued shares 佔全部已發行股份之百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Winnie J. NG (Note 2)	伍穎梅 (附註 2)	1,000,000	-	-	123,743	1,123,743	0.1%
James Conrad LOUEY	雷兆光	283,500	600,000	-	-	883,500	0.1%
Anthony NG (Note 2)	伍永漢 (附註 2)	-	-	-	123,743	123,743	0.0%

		The Kowloon Motor Bus Holdings Limited ("KMB") (Note 1): Ordinary share of HK\$1 each 九龍巴士控股有限公司(「九巴」) (附註1)：每股面值港幣 1 元之普通股				Total number of shares held 所持股份總數	% of total issued shares 佔全部已發行股份之百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
John CHAN Cho Chak	陳祖澤	2,000	-	-	-	2,000	0.0%
Winnie J. NG (Note 3)	伍穎梅 (附註 3)	41,416	-	-	21,000,609	21,042,025	5.2%
James Conrad LOUEY	雷兆光	13,929	-	-	-	13,929	0.0%
Anthony NG (Note 3)	伍永漢 (附註 3)	233,954	-	-	21,000,609	21,234,563	5.3%

Notes :

- 1 KMB is the ultimate holding company of the Company.
- 2 Each of Ms Winnie J. NG and Mr Anthony NG has interest in 123,743 shares in the Company as a beneficiary of certain private trusts which beneficially held the shares.
- 3 Each of Ms Winnie J. NG and Mr Anthony NG has interest in 21,000,609 shares in KMB as a beneficiary of certain private trusts which beneficially held the shares.

(ii) Interests in underlying shares

The Directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share option scheme" below.

Apart from the foregoing, none of the Directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, any of its holding companies, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事於股份、相關股份及債權證的權益及淡倉

於二零零四年十二月三十一日，根據《證券及期貨條例》第352條所存置的董事權益及淡倉登記冊之記錄，於該日在任的本公司董事於本公司、其控股公司、附屬公司及其他相聯法團(定義見《證券及期貨條例》)的股份中擁有以下權益：

(i) 於已發行股份中的權益

Beneficial Interests 實益權益		The Company: Ordinary share of HK\$0.1 each 本公司：每股面值港幣 0.1 元之普通股				Total number of shares held 所持股份總數	% of total issued shares 佔全部已發行股份之百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Winnie J. NG (Note 2)	伍穎梅 (附註 2)	1,000,000	-	-	123,743	1,123,743	0.1%
James Conrad LOUEY	雷兆光	283,500	600,000	-	-	883,500	0.1%
Anthony NG (Note 2)	伍永漢 (附註 2)	-	-	-	123,743	123,743	0.0%

		The Kowloon Motor Bus Holdings Limited ("KMB") (Note 1): Ordinary share of HK\$1 each 九龍巴士控股有限公司(「九巴」) (附註1)：每股面值港幣 1 元之普通股				Total number of shares held 所持股份總數	% of total issued shares 佔全部已發行股份之百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
John CHAN Cho Chak	陳祖澤	2,000	-	-	-	2,000	0.0%
Winnie J. NG (Note 3)	伍穎梅 (附註 3)	41,416	-	-	21,000,609	21,042,025	5.2%
James Conrad LOUEY	雷兆光	13,929	-	-	-	13,929	0.0%
Anthony NG (Note 3)	伍永漢 (附註 3)	233,954	-	-	21,000,609	21,234,563	5.3%

附註：

- 1 九巴乃本公司之最終控股公司。
- 2 伍穎梅女士及伍永漢先生各自以若干私人信託的受益人身份持有本公司123,743股本公司股份的權益，而該等私人信託實益持有上述股份。
- 3 伍穎梅女士及伍永漢先生各自以若干私人信託的受益人身份持有九巴21,000,609股股份的權益，而該等私人信託實益持有上述股份。

(ii) 於相關股份中的權益

本公司董事獲授本公司購股權計劃項下的購股權，詳情載於下文「購股權計劃」一節。

除上文所披露者外，本公司董事或彼等的配偶或未滿十八歲的子女概無於本公司、其任何控股公司、附屬公司或同系附屬公司的股份、相關股份或債權證中擁有根據《證券及期貨條例》第352條規定須存置的登記冊所記錄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》須知會公司的任何權益或淡倉。

Share option scheme

The Company has a Share Option Scheme which was adopted on 7 June 2001, under which the Directors may, at their discretion, offer any employee (including any Directors) of the Company or any of its wholly-owned subsidiaries options to subscribe for shares in the Company to recognise his/her contributions to the growth of the Group, subject to the terms and conditions stipulated in the scheme.

The total number of securities available for issue under the Share Option Scheme as at 31 December 2004 was 14,270,000 shares which represented approximately 1.4% of the issued share capital of the Company at 31 December 2004. In respect of the maximum entitlement of each participant under the scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

At 31 December 2004, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company granted for nil consideration under the Share Option Scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company. The market value per share at 31 December 2004 is HK\$0.79. The share options granted are not recognised in the financial statements until they are exercised.

		Number of options outstanding at the beginning of the year	Number of options outstanding at the year end	Number of shares acquired on exercise of options during the year	Exercise price per share	Market value per share at date of grant of options
		於年初尚未行使的購股權數目	於年底尚未行使的購股權數目	年內因行使購股權而購入的股份數目	每股股份的行使價	授出購股權當日每股股份的市價
Directors	董事					
Winnie J. NG	伍穎梅	3,800,000	3,800,000	Nil 無	港幣 HK\$2.25	港幣 HK\$2.25
Amanda LUI Yee Fai	雷怡暉	2,800,000	2,800,000	Nil 無	港幣 HK\$2.25	港幣 HK\$2.25
Employees	僱員	10,060,000	7,670,000	Nil 無	港幣 HK\$2.25	港幣 HK\$2.25

The above options were granted on 11 March 2002 and are exercisable during the period from 12 March 2002 to 11 March 2005. During the year, 2,390,000 options lapsed because the grantees ceased employment with the Group.

Apart from the foregoing, at no time during the year was the Company, any of its holding companies, subsidiaries or fellow 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.

購股權計劃

本公司現有一項購股權計劃，該計劃於二零零一年六月七日獲得採納。據此董事可按其酌情授予本公司或其任何全資附屬公司僱員（包括任何董事）購股權以表揚其對集團業務增長的貢獻，憑購股權可按計劃的條款及條件認購本公司股份。

於二零零四年十二月三十一日，根據購股權計劃可供發行的證券總數為14,270,000股股份，佔本公司於二零零四年十二月三十一日的已發行股本約1.4%。根據計劃中各參與者的授權上限，每位參與者在任何12個月期間行使購股權時獲發行或可獲發行的證券數目上限為本公司已發行普通股的1%。

於二零零四年十二月三十一日，本公司的董事及僱員根據本公司的購股權計劃以無償方式獲授可認購本公司股份的購股權的權益如下。有關購股權並無上市。每份購股權賦予持有人認購一股本公司每股面值港幣0.1元的股份的權利。於二零零四年十二月三十一日，每股股份的市值為港幣0.79元。授出之購股權於被行使時方會在財務報表內確認。

以上購股權乃於二零零二年三月十一日授出，行使期為二零零二年三月十二日至二零零五年三月十一日止期間。年內有2,390,000份購股權因承授人不再受聘於集團而被註銷。

年內，除上述者外，本公司、其控股公司、附屬公司或同系附屬公司並無在任何時間參與任何安排，使本公司董事可透過購入本公司或其他實體公司的股份或債權證而獲益。

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

The Company has been notified of the following interests in the Company's issued shares at 31 December 2004 amounting to 5% or more of the ordinary shares in issue:

		Ordinary shares of HK\$0.1 each 每股面值港幣0.1元的普通股			
Substantial shareholders	主要股東	Registered shareholders 登記股東	Corporate interests 公司權益	Total number of ordinary shares held 所持普通股總數	% of total issued shares 佔全部已發行股份的百分比
KMB	九巴	-	728,127,410	728,127,410	73.01%
KMB Resources Limited	KMB Resources Limited	728,127,410	-	728,127,410	73.01%

The register of interest in shares and short positions kept under section 336 of the SFO indicates that the interest disclosed by KMB is the same as the 728,127,410 shares disclosed by KMB Resources Limited, its 100% owned subsidiary. Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Directors' interests in contracts

No contract of significance to which the Company, its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零零四年十二月三十一日，本公司獲知會以下公司持有本公司已發行普通股百分之五或以上的權益：

根據《證券及期貨條例》第336條存置的股份及淡倉權益登記冊顯示，九巴所披露的權益與其全資擁有的附屬公司KMB Resources Limited所披露的728,127,410股股份權益屬同一批權益。除上述者外，本公司並無獲知會其他須記入根據《證券及期貨條例》第336條存置的登記冊之權益。

董事之合約權益

本公司、其控股公司、附屬公司或其同系附屬公司並未參與簽訂任何重要合約，使本公司董事於本年度完結之日或在本年度任何期間內享有重大利益。

Major customers and suppliers

Income attributable to the five largest customers of the Group accounted for less than 30% of the total income of the Group for the year.

Purchases attributable to the five largest suppliers of the Group accounted for less than 30% of the value of the Group's total purchases for the year.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

Purchase, sale or redemption of the Company's listed securities

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

Bank loans

Particulars of bank loans of the Company and the Group as at 31 December 2004 are set out in note 24 on the financial statements.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Bye-Laws and the Law in Bermuda.

Corporate executive profiles

Brief biographical details of the members of corporate executive of the Company are set out on pages 38 to 42 of this annual report.

主要顧客及供應商

來自集團之五大客戶的收入佔集團全年總收入不足30%。

從集團之五大供應商全年所購的貨品值佔集團購貨總支出不足30%。

年內，董事、其聯繫人士或本公司任何股東(據董事會所知擁有本公司已發行股本超過5%者)並無在任何時間擁有上述主要客戶或供應商之任何權益。

購入、出售或贖回本公司已上市證券

年內，本公司或其任何附屬公司概無購入、出售或贖回本公司已上市證券。

銀行貸款

本公司及集團截至二零零四年十二月三十一日止的銀行貸款詳情刊載於財務報表附註24。

優先購買權

本公司的公司細則及百慕達法例概無優先購買權的條文。

行政人員簡介

本公司之行政人員資料簡介刊載於本年報第38頁至第42頁。

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 page 98 of this annual report.

Compliance with the Code of Best Practice

The Company has complied throughout the year with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in Appendix 14 to the Listing Rules, except that the Independent Non-Executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Bye-Laws of the Company.

Auditors

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

John CHAN Cho Chak

Chairman

Hong Kong, 14 March 2005

五年財務匯告

集團最近五個財政年度之業績及資產負債撮要刊載於本年報第98頁。

最佳應用守則

本公司在整個年度已遵守香港聯合交易所有限公司「聯交所」載於證券上市規則附錄14最佳應用守則的規定，惟本公司獨立非執行董事並非按一段指定的年期委任，且須受本公司的公司細則於股東週年大會上輪值告退及連任的限制。

核數師

畢馬威會計師事務所依章告退但願接受重聘。有關重聘畢馬威會計師事務所為本公司核數師的決議案將於下次股東週年大會上提出。

承董事會命

主席

陳祖澤

香港，二零零五年三月十四日