

# 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 2004.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal 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 2004 are set out in the consolidated income statement on page 25 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 2004.

### 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 investment properties of the Group are set out in note 13 to the financial statements.

### 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 scheme of the Company are set out in note 20 to the financial statements.

As at the date of this report, the total number of securities available for issue under the existing share option scheme is 169,986,000 shares, representing 10% of the issued share capital of the Company.

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

董事謹提呈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。

### 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

本集團截至二零零四年十二月三十一日止年度之業績載於本年報第25頁綜合損益表。

年內，並無向股東派付任何中期股息。董事不建議就截至二零零四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

本集團之投資物業詳情載於財務報表附註13。

### 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

本公司購股權計劃之詳情載於財務報表附註20。

於本報告日期，現行購股權計劃項下可供發行之證券總數為169,986,000股股份，相當於本公司已發行股本10%。

自採納購股權計劃以來，本公司並無授出任何購股權。

### 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

#### Independent non-executive directors:

Sun Juyi  
Jiang Ming Le  
Lam Ming Yung (resigned on 30 September 2004)  
Chan Sai Kuai (appointed on 30 September 2004)

In accordance with the provisions of the Company's Articles of Association, Messrs. Cai Wei Min, Sun Juyi and Chan Sai Kuai will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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.

### 董事及董事服務合約

年內及截至本報告日期止期間之本公司在任董事如下:

#### 執行董事:

劉勝平  
(主席)  
蔡偉民  
葉東明  
王建平

#### 獨立非執行董事:

孫聚義  
蔣鳴樂  
林明勇 (於二零零四年九月三十日辭任)  
陳世貴 (於二零零四年九月三十日獲委任)

根據本公司的公司組織章程細則條文，蔡偉民先生、孫聚義先生及陳世貴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。

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，初步年期自彼等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（扣除稅項及少數股東權益後但未計非經常及特殊項目以及支付董事花紅總額前）超過60,000,000港元方予支付。該百分比由董事會釐定，惟本公司於各財政年度應付本公司所有執行董事的花紅總額不得超過該等盈利6%。

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

Each of the independent non-executive Directors was appointed for a period of one year commencing from their respective appointment date and, shall continue thereafter for successive terms of one year until terminated by either party with six months' notice in writing served to the other side.

Save 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).

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

As at 31 December 2004, 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 of Hong Kong Limited (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	Number of shares 股份數目	Percentage of shareholding 持股百分比
Lao Seng Peng ("Mr. Lao") 劉勝平(「劉先生」)	Held by controlled corporation 由受控法團持有	1,169,479,600 (note) (附註)	68.80%

### 董事及董事服務合約(續)

各獨立非執行董事之任期由其彼等各自獲委任日期起計為期一年，其後將繼續有效，並續期一年，除非任何一方發給六個月書面通知予以終以為止。

除上文披露者外，概無擬於應屆股東週年大會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(法定賠償除外)之服務合約。

### 董事及行政總裁於股份、相關股份及債券之權益

於二零零四年十二月三十一日，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香港聯合交易所有限公司(「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

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

Note: These shares are 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 2004.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding 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 2004, 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 2004.

### 董事及行政總裁於股份、相關股份及債券之權益 (續)

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，於二零零四年十二月三十一日，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任何股份、相關股份或債券中擁有任何有關權益或淡倉。

### 購買股份或債券之安排

於本年度任何時間，本公司、其控股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利。

### 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

於二零零四年十二月三十一日，除上文所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二零零四年十二月三十一日擁有本公司已發行股本5%或以上權益。

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for about 50% of the turnover of the Group and the largest customer accounted for about 17% 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 2004.

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

### RETIREMENT BENEFIT SCHEMES

The Group strictly complies with the Mandatory Provident Fund Ordinance in making mandatory contributions for its staff 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").

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

### 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50%，而最大客戶佔總營業額約17%。

本集團五大供應商合共佔本年度經營成本約100%，而向最大供應商作出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股本5%以上之股東）概無於本集團截至二零零四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。

### 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。

本公司已採納有關董事進行證券交易之操守準則，條款不寬鬆於上市規則附錄10所載規定標準（「標準守則」）。經具體諮詢全體董事後，董事確認已遵守標準守則所載規定標準以及本公司所採納有關董事進行證券交易之操守準則。

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之獨立性年度確認書。本公司認為，全體獨立非執行董事均為獨立人士。

### 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.

### EMOLUMENT POLICY

The emolument policy of the employees of the Group is set out by the board of directors on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the board of directors, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 20 to the financial statements.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2004.

### POST BALANCE SHEET EVENT

Details of a balance sheet event are disclosed in note 29 to the financial statements.

### 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*

21 April 2005

### 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。

### 薪酬政策

本集團之僱員薪酬政策乃由董事會按彼等之優點、資歷及能力而定。

本公司董事之薪酬乃由董事會經考慮本公司經營業績、個別表現以及市場可資比較公司之數據而定。

本公司已採納購股權計劃，以向董事及合資格僱員提供獎勵，計劃詳情載於財務報表附註20。

### 足夠公眾持股量

本公司於截至二零零四年十二月三十一日止年度內一直維持足夠公眾持股量。

### 結算日後事項

結算日事項詳情於財務報表附註29披露。

### 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*

二零零五年四月二十一日