

## Report of the Directors

The directors herein present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2004.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries comprise the manufacture and sale of precision parts and components (comprising keypads, synthetic rubber and plastic components and parts, and liquid crystal displays ("LCDs")), and the design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products). There were no significant changes in the nature of the Group's principal activities during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 29 to 91.

The directors recommend the payment of a final dividend of HK1 cent per ordinary share in respect of the year, to shareholders on the register of members on 8 June 2005. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

### 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, is set out on page 92. This summary does not form part of the audited financial statements.

### FIXED ASSETS

Details of movements in the Group's fixed assets during the year are set out in note 15 to the financial statements.

董事會謹提呈本公司及本集團截至二零零四年十二月三十一日止年度之經審核財務報告。

### 主要業務

本公司之主要業務為投資控股。

各附屬公司主要業務包括製造及銷售精密零部件(其中包括按鍵、合成橡膠及塑膠零部件、及液晶體顯示器)、及設計、製造及銷售電子消費品(包括時計、天氣預測及其他產品)。本集團之主要業務於年內並無改變。

### 業績及股息

本集團截至二零零四年十二月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載於第29頁至第91頁之財務報告。

董事會建議向於二零零五年六月八日名列股東名冊之股東派發本年度之末期股息每股普通股一港仙。此項建議已納入財務報告內，於資產負債表中列作資本及儲備項目下保留溢利的分配。

### 財務資料概要

本集團於過往五個財政年度之業績及資產與負債概要載於第92頁，該概要乃節錄自經審核財務報告。該概要並不是經審核財務報告之部份。

### 固定資產

本年度內本集團固定資產之變動詳情載於財務報告附註15。

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 31 and 32 to the financial statements, respectively.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws and there are no restrictions against such rights under the laws of Bermuda, being the jurisdiction in which the Company is incorporated, 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 33 to the financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

At 31 December 2004, the Company's reserves available for cash distribution and/or distribution in specie, as computed in accordance with The Companies Act 1981 of Bermuda (as amended), amounted to HK\$56,032,342 (2003: HK\$51,503,966) of which HK\$2,655,048 (2003: Nil) has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$50,541,281 (2003: HK\$49,761,281) may be distributed in the form of fully paid bonus shares.

## 股本及購股權

本公司股本及購股權之詳情分別載於財務報告附註31及32。

## 優先購買權

本公司之公司細則或本公司註冊成立地點百慕達之法例並無載列有關強制本公司按比例向現有股東發售新股之優先購買權之規定。

## 購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司概無於年內購買、贖回或出售任何本公司之上市證券。

## 儲備

本年度內本公司及本集團儲備變動之詳情分別載於財務報告附註33及綜合權益變動表。

## 可分派儲備

於二零零四年十二月三十一日，根據百慕達一九八一年公司法（經修訂）計算，可供本公司以現金及／或實物分派之儲備為56,032,342港元（二零零三年：51,503,966港元），其中2,655,048（二零零三：無）港元於今年已撥為末期股息。本公司之股份溢價賬50,541,281港元（二零零三年：49,761,281港元）可以繳足紅股方式分派。

## MAJOR CUSTOMERS AND MAJOR SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 32.1% (2003: 30.8%) of the Group's total turnover for the year and sales to the largest customer included therein amounted to approximately 7.9% (2003: 7.7%). Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for both of the current and prior years.

As far as the directors are aware of, neither the directors, their associates, nor those 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 and five largest suppliers.

## DIRECTORS

The directors of the Company during the year were:

### Executive directors:

Lai Pei Wor  
Chan Yau Wah  
Chung Yik Cheung, Raymond

### Independent non-executive directors:

Tsao Kwang Yung, Peter  
Kung Fan Cheong  
Leung Man Kay (appointed on 28 September 2004)

In accordance with bye-law 87(1) of the Company's bye-laws, Mr. Chung Yik Cheung, Raymond will retire by rotation and pursuant to bye-law 86(2) of the Company's bye-laws, Mr. Leung Man Kay shall hold office only until the forthcoming annual general meeting and will retire by rotation, and both of them, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## 主要客戶及供應商

於本回顧年度，本集團五位最大客戶佔有關年度之總銷售額約32.1%（二零零三年：30.8%），而其中最大客戶之銷售額約佔7.9%（二零零三年：7.7%）。本集團五位最大供應商佔有關年度及前年度之總採購額約少於30%。

就董事所知，各董事、其聯繫人士或任何股東（據董事所知擁有本公司股本5%以上者）概無於五位最大客戶及供應商實益擁有任何權益。

## 董事

本公司於本年度之董事如下：

### 執行董事：

賴培和  
陳友華  
鍾奕昌

### 獨立非執行董事：

曹廣榮  
孔蕃昌  
梁文基（於二零零四年九月二十八日委任）

根據本公司之公司細則第87(1)條，鍾奕昌先生將輪席退任即將舉行之及根據公司細則86(2)條，梁文基先生僅任職至即將舉行之股東週年大會及將輪席退任，惟彼等均合資格並願意於即將舉行之股東週年大會上膺選連任。

### DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company for a term of three years commencing from 1 January 2003, and thereafter until terminated by either party giving to the other not less than six months' notice in writing.

Apart from 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 had a material interest, either 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.

### 董事之服務合約

每位執行董事均與本公司訂立服務合約，由二零零三年一月一日起計，為期三年，並於其後繼續有效，直至任何一方向對方發出不少於六個月之書面通知後終止。

隨上述外，於即將舉行之股東週年大會上重選連任之董事概無與本公司訂立不可於一年內終止而毋須支付賠償（法定賠償除外）之服務合約。

### 董事之合約權益

各董事概無於本公司或其任何附屬公司於年內之任何重大合約中擁有重大實益權益。

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

At 31 December 2004, the interests of the directors in the share capital 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 required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

**Long positions in ordinary shares of the Company:****董事於股份及相關股份之權益及短倉**

於二零零四年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條之規定而存置之登記冊所記錄或按董事根據上市發行人董事進行證券交易的標準守則向本公司及香港聯合交易所有限公司（「聯交所」）的申報，董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份之權益如下：

**本公司普通股之長倉：**

Name of director	董事姓名	Number of shares held, capacity and nature of interest 所持股份數目，身份及權益性質			Total 總數	Percentage of the Company's issued share capital 佔本公司已發行股份之百分比
		Directly beneficially owned 直接實益持有	Through controlled corporation 所控制公司之權益			
Lai Pei Wor	賴培和	2,500,000	97,242,000*	99,742,000	37.57	
Chan Yau Wah	陳友華	7,700,000	–	7,700,000	2.90	
Chung Yik Cheung, Raymond	鍾奕昌	2,652,000	–	2,652,000	1.00	
		<u>12,852,000</u>	<u>97,242,000</u>	<u>110,094,000</u>	<u>41.47</u>	

\* Details of Lai Pei Wor's other interests are set out in the section headed "Substantial shareholders' and other persons' interests and short positions in shares and underlying shares" below.

\* 賴培和先生之權益詳載於下文之「主要股東、其他人士於股份及相關股份之權益及短倉」。

The interests of the directors in the share options of the Company are separately disclosed in note 32 to the financial statements.

董事於所持購股權之權益已分開載列於財務報告附註32。

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES** (continued)

Save as disclosed above, as at 31 December 2004, none of the directors had registered an interest 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 Issuers.

**DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed in the share option scheme disclosures in note 32 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of 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短倉** (續)

除上文所披露者外，於二零零四年十二月三十一日，根據證券及期貨條例第352條之規定而設置之本公司登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所，各董事在本公司或其任何相關法團之證券概無擁有任何權益。

**董事認購股份之權利**

除財務報表附註32購股權計劃之披露事項所披露者外，本公司於年內任何時間概無授予任何董事或彼等各自之配偶或未成年子女藉收購本公司之股份或債券而取得利益之權利，而彼等亦無行使任何該等權利；本公司或其任何附屬公司於年內概無參與訂立任何安排，致使董事可於任何其也法人團體獲得此等權利。

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at of 31 December 2004, the following interests of 5% or more of the issued share capital and convertible loan notes of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions:

## 主要股東、其他人仕於股份及相關股份之權益及短倉

於二零零四年十二月三十一日，按照本公司根據證券及期貨條例第336條之規定須予保存之權益登記冊所載，以下股東擁有本公司已發行股本及可換股貸款股票據5%或以上之權益：

### 長倉：

Name	名稱	Number of shares held, capacity and nature of interest 所持股份數目、身份及權益性質			Total	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
		Directly beneficially owned  直接 實益持有人	Through spouse or minor children  配偶權益	Beneficiary of a trust  信託人		
Chan Yuk Lin (Note a)	陳玉蓮 (附註a)	-	2,500,000	97,242,000	99,742,000	37.57
Celaya Limited (Note b)	Celaya Limited (附註b)	-	-	97,242,000	97,242,000	36.63
Trident Corporate Services (B.V.I.) Limited (formerly known as "Ansbacher (BVI) Limited") (Note c)	Trident Corporate Services (B.V.I.) Limited (前稱 "Ansbacher (BVI) Limited") (附註c)	-	-	97,242,000	97,242,000	36.63
Lai Yiu Chun (Note d)	賴耀鎮 (附註d)	1,866,000	21,450,000	-	23,316,000	8.78
Lam Lin Chu, Winnie (Note d)	林蓮珠 (附註d)	23,116,000	200,000	-	23,316,000	8.78

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

### Notes:

- (a) Chan Yuk Lin, spouse of Lai Pei Wor, was deemed to be interested in the shares.
- (b) Celaya Limited holds 97,242,000 shares in its capacity as trustee of The Lai Family Unit Trust, of which all units are held by Trident Corporate Services (B.V.I.) Limited (formerly known as "Ansbacher (BVI) Limited") in its capacity as trustee of The Lai Family Trust, a discretionary trust of which Lai Pak Hung (son of Lai Pei Wor) and Lai Yee Man (daughter of Lai Pei Wor and under the age of 18) and Chan Yuk Lin (wife of Lai Pei Wor) are discretionary objects.
- (c) The shares referred to herein relate to the same parcel of shares referred to in note (b) above.
- (d) Lam Lin Chu, Winnie is the wife of Lai Yiu Chun, who is a brother of Lai Pei Wor. Both Lam Lin Chu, Winnie and Lai Yiu Chun are declaring interests in the same parcel of shares.

Save as disclosed above, as at 31 December 2004, 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.

### POST BALANCE SHEET EVENT

Details of the significant post balance sheet event of the Group are set out in note 39 to the financial statements.

## 主要股東、其他人仕於股份及相關股份之權益及短倉 (續)

### 附註:

- (a) 陳玉蓮為賴培和之妻子，因而被當作持有該等股份權益。
- (b) Celaya Limited 以賴氏家族單位信託之受託人身份持有97,242,000股股份。賴氏家族單位信託所有已發行單位由 Trident Corporate Services (B.V.I.) Limited (前稱 "Ansbacher (BVI) Limited") 以賴氏家族信託 (一全權信託其中賴栢鴻 (賴培和兒子) 及賴綺雯 (賴培和十八歲以下之女兒) 及陳玉蓮 (賴培和妻子) 乃全權信託受益人) 之受託人身份持有。
- (c) 此欄所指之股份與附註b所指之同一批股份有關。
- (d) 林蓮珠為賴耀鎮之妻子，而賴耀鎮與賴培和則屬兄弟關係。林蓮珠及賴耀鎮申報同一批股份之權益。

除上文所披露者外，於二零零四年十二月三十一日，本公司概無獲知會有任何股東 (不包括本公司董事之權益載於上文「董事於股份及相關股份之權益及短倉」) 在本公司已發行股本及相關股份中擁有任何根據證券及期貨條例第336條之規定而須記錄於本公司保存之登記冊之權益及短倉。

### 結算日後事項

本集團於結算日後所發生的重大事項詳情已載於財務報告附註39。



## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had no connected transactions and continuing connected transactions as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

## CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report, except that two of the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code. The independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company’s bye-laws.

## AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company, namely, Mr. Tsao Kwang Yung, Peter, Mr. Kung Fan Cheong and Mr. Leung Man Kay.

## 關連交易及持續關連交易

本集團於本年度並沒有進行由香港上市規則定義（「上市規則」）之關連交易及持續關連交易。

## 遵守最佳應用守則

董事認為，在本年報所包括之會計期間內，本公司均遵守聯交所上市規則附錄十四所載之最佳應用守則，惟本公司獨立非執行董事之任期並非根據守則的第七段以固定年期委任，根據本公司之公司細則，彼等均須在股東週年大會上輪席告退及重選連任。

## 審核委員會

本公司按最佳應用守則第3.21條的要求成立審核委員會，以檢討及監督本集團的財務申報過程及內部監控。審核委員會由本公司三位獨立非執行董事組成，即曹廣榮先生、孔蕃昌先生及梁文基先生。

## 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

**Lai Pei Wor**

*Chairman*

Hong Kong  
26 April 2005

## 核數師

安永會計師事務所任滿告退，於即將舉行之股東週年大會上將提呈決議案，再度委任其為本公司之核數師。

承董事會命

主席

**賴培和**

香港  
二零零五年四月二十六日