

# 董事會報告書

## Report of the Directors

董事會全人謹將YGM貿易有限公司(「本公司」)，連同其附屬公司及聯營公司稱為「本集團」)截至二零零五年三月三十一日止年度之年報及經審核財務報表呈覽。

### 主要業務

本公司之主要業務是投資控股及提供管理服務。各附屬公司及聯營公司之主要業務及其他詳情載於第102頁至第109頁。

本公司及各附屬公司於本財政年度之主要業務及經營地區分析載列於財務報表附註第13項。

### 主要客戶及供應商

本集團於本財政年度首五大銷售客戶及供應商佔本集團營業額及購貨量分別少於30%。

### 財務報表

本集團截至二零零五年三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34頁至第109頁之財務報表內。

本公司已於二零零五年一月十七日派發中期股息每股13港仙(二零零四年：每股8港仙)。董事會現建議派發截至二零零五年三月三十一日止年度之末期股息每股30港仙(二零零四年：每股25港仙)。

### 轉撥至儲備

截至二零零五年三月三十一日止年度之股東應佔溢利(未扣除股息)港幣156,088,000元(二零零四年：港幣171,187,000元)，已轉撥至儲備。

### 慈善捐款

年內本集團之慈善捐款為港幣952,000元(二零零四年：港幣28,000元)。

The directors have pleasure in submitting their annual report together with the audited financial statements of YGM Trading Limited (the "Company", and together with its subsidiaries and associates, the "Group") for the year ended 31 March 2005.

### Principal Activities

The principal activities of the Company are investment holding and the provision of management services. The principal activities and other particulars of the Company's subsidiaries and associates are set out on pages 102 to 109.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out on note 13 on the financial statements.

### Major Customers and Suppliers

During the year, the Group's sales to its five largest customers and purchases from its five largest suppliers accounted for less than 30% of the Group's turnover and purchases respectively.

### Financial Statements

The profit of the Group for the year ended 31 March 2005 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 34 to 109.

An interim dividend of HK13 cents per share (2004: HK8 cents per share) was paid on 17 January 2005. The directors now recommend the payment of a final dividend of HK30 cents per share (2004: HK25 cents per share) in respect of the year ended 31 March 2005.

### Transfer to Reserves

Profit attributable to shareholders, before dividends, for the year ended 31 March 2005 of HK\$156,088,000 (2004: HK\$171,187,000) has been transferred to reserves.

### Charitable Donations

Charitable donations made by the Group during the year amounted to HK\$952,000 (2004: HK\$28,000).

## 固定資產

年內，固定資產之變動詳情載於財務報表附註第14項。

## 股本

年內本公司股本之變動詳情載於財務報表附註第30項。

## 董事會

本公司於年內及直至本報告日期止之董事會成員如下：

### 執行董事

陳瑞球  
陳永奎  
陳永樂  
周陳淑玲  
陳永明  
陳永棋  
陳永滔  
傅承蔭

### 獨立非執行董事

梁學濂  
王霖  
林克平（於二零零四年七月十九日獲委任為獨立非執行董事）

依據本公司之公司組織章程細則第104條，陳瑞球先生、陳永奎先生、陳永明先生及梁學濂先生將於即將召開之股東週年大會中輪值退任本公司董事。陳永明先生不願膺選連任，而陳瑞球先生、陳永奎先生及梁學濂先生於即將召開之本公司股東週年大會中願膺選連任。

董事會謹藉此機會感謝陳永明先生作為執行董事任內對本公司之貢獻。

## Fixed Assets

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

## Share Capital

Details of movements of the Company's share capital during the year are set out in note 30 on the financial statements.

## Directors

The directors of the Company during the year and up to the date of this report were:

### Executive directors

Chan Sui Kau  
Chan Wing Fui, Peter  
Chan Wing Sun, Samuel  
Chan Suk Ling, Shirley  
Chan Wing Ming, Michael  
Chan Wing Kee  
Chan Wing To  
Fu Sing Yam, William

### Independent non-executive directors

Leung Hok Lim  
Wong Lam  
Lin Keping (appointed as an independent non-executive director on 19 July 2004)

In accordance with Article 104 of the Company's articles of association, Messrs Chan Sui Kau, Chan Wing Fui, Peter, Chan Wing Ming, Michael and Leung Hok Lim shall retire as directors of the Company by rotation at the forthcoming annual general meeting. While Messr Chan Wing Ming, Michael does not offer himself for re-election, Messrs Chan Sui Kau, Chan Wing Fui, Peter and Leung Hok Lim, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Board would like to take this opportunity to thank Messr Chan Wing Ming, Michael for his contribution towards the Company during the tenure of his office as an executive director.

## 董事之服務合約

獨立非執行董事由董事會委任，其酬金由董事會釐定，詳見「遵守《最佳應用守則》」一節。

擬於即將召開之本公司股東週年大會中膺選連任之董事，概無與本公司或本集團任何成員公司訂立於一年內不可在不予賠償（一般法定賠償除外）之情況下由有關僱主終止之任何服務合約。

## 董事及行政總裁於股份及相關股份之權益

依據《證券及期貨條例》（「證券及期貨條例」）第352條本公司須予存置之董事及行政總裁股份權益登記冊之記錄，於二零零五年三月三十一日在任之本公司董事及行政總裁於該日擁有本公司、其附屬公司及其他相聯法團（定義見證券及期貨條例）已發行股份之權益如下：

### (I) 於已發行股份之權益

## Directors' Service Contracts

The independent non-executive directors were appointed by the board of directors and their remuneration is determined by the board of directors, see section headed 'Compliance with the Code of Best Practice'.

None of the directors who offered themselves for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company or any other member of the Group which is not determinable by the relevant employer within one year without payment of compensation, other than normal statutory compensation.

## Directors' and Chief Executive's Interests in Shares and Underlying Shares

The directors and chief executive of the Company who held office at 31 March 2005 had the following interests in the issued shares of the Company, its subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register kept by the Company under section 352 of the SFO:

### (I) Interests in issued shares

		每股面值港幣 0.50 元的普通股 Ordinary shares of HK\$0.50 each			
實益權益	Beneficial interests	個人權益 <sup>(i)</sup> Personal interests <sup>(i)</sup>	家族權益 Family interests	公司權益 Corporate interests	其他權益 Other interests
陳瑞球	Chan Sui Kau	4,929,272	214,368	3,840,820	(ii)
陳永奎	Chan Wing Fui, Peter	324,068	3,820,420	—	(ii), (iii) & (iv)
陳永樂	Chan Wing Sun, Samuel	2,072,072	—	7,291,144	(ii), (iii) & (iv)
周陳淑玲	Chan Suk Ling, Shirley	3,613,544	16,000	—	(ii), (iii) & (iv)
陳永明	Chan Wing Ming, Michael	2,967,208	—	—	(ii), (iii) & (iv)
陳永棋	Chan Wing Kee	3,692,776	819,404	—	(ii), (iii), (iv) & (v)
陳永滔	Chan Wing To	4,144,736	—	—	(ii), (iii), (iv) & (v)
傅承蔭	Fu Sing Yam, William	598,835	—	—	—

## 董事及行政總裁於股份及相關股份之權益 (續)

### (I) 於已發行股份之權益 (續)

- (i) 該等股份以身為實益擁有人之董事及行政總裁之名義登記。
- (ii) 19,174,700股本公司股份乃由Chan Family Investment Corporation Limited (由陳瑞球先生、陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生、陳永明先生、周陳淑玲女士及其他陳氏家族若干成員擁有)及其附屬公司所持有。
- (iii) 24,595,908股本公司股份乃由Canfield Holdings Limited持有。該公司由陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生、陳永明先生、周陳淑玲女士及其他陳氏家族若干成員實益擁有。
- (iv) 2,917,480股本公司股份乃由Hearty Development Limited持有。該公司由陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生及其他陳氏家族若干成員實益擁有。
- (v) 1,597,000股本公司股份乃由Super Team International Limited持有。該公司由陳永棋先生、陳永滔先生及其他陳氏家族若干成員實益擁有。

### (II) 於相關股份之權益

本公司董事及行政總裁根據本公司購股權計劃獲授購股權之詳情載於下文「購股權計劃」一節。

## Directors' and Chief Executive's Interests in Shares and Underlying Shares (continued)

### (I) Interests in issued shares (continued)

- (i) The shares are registered under the names of the directors and chief executive who are the beneficial owners.
- (ii) 19,174,700 shares of the Company were held by Chan Family Investment Corporation Limited (which is owned by Messrs Chan Sui Kau, Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel, Chan Wing To, Chan Wing Ming, Michael, Madam Chan Suk Ling, Shirley and other members of the Chan family) and its subsidiaries.
- (iii) 24,595,908 shares of the Company were held by Canfield Holdings Limited, which is beneficially owned by Messrs Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel, Chan Wing To, Chan Wing Ming, Michael, Madam Chan Suk Ling, Shirley and other members of the Chan family.
- (iv) 2,917,480 shares of the Company were held by Hearty Development Limited which is beneficially owned by Messrs Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel, Chan Wing To and other members of the Chan family.
- (v) 1,597,000 shares of the Company were held by Super Team International Limited which is beneficially owned by Messrs Chan Wing Kee, Chan Wing To and other members of the Chan family.

### (II) Interests in underlying shares

The directors and chief executive 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.

## 董事及行政總裁於股份及相關股份之權益 (續)

### (II) 於相關股份之權益 (續)

除以上所述者外，本公司董事、行政總裁或任何彼等之配偶或其未滿十八歲之子女，概無於本公司或其任何附屬公司或任何權益之股份、相關股份或債權證中擁有須登記於根據證券及期貨條例第352條規定本公司須存置之登記冊，或根據香港聯合交易所有限公司證券上市規則附錄十（「上市規則」）《上市發行人董事進行證券交易的標準守則》規定須另行知會本公司之任何權益或淡倉。

## 購股權計劃

本公司於二零零四年九月二十三日採納一項購股權計劃（「購股權計劃」），據此，本公司董事獲授權酌情邀請本集團的僱員（包括本集團任何公司之董事）接受購股權以認購本公司之股份。購股權計劃將於截至二零一四年九月二十二日止十年期間內有效和可執行，其後將不會授予任何購股權。授予的購股權的行使價以股份的票面值，股份於購股權授予當日在香港聯合交易所有限公司錄得的收市價和股份於購股權授予當日前五個營業日在香港聯合交易所有限公司錄得的平均收市價三者中之較高額為準。購股權在授予日期當日開始生效，並可於生效後十年內行使。

於二零零五年三月三十一日，根據購股權計劃可供發行的股份總數為15,469,879股股份（包括已授予但二零零五年三月三十一日尚未到期之購股權可予發行之12,124,000股股份），佔本公司於採納購股權計劃之日期已發行股本之10%。就各參與者根據該計劃可獲授購股權數目上限而言，各參與者於任何十二個月期間內獲授之購股權獲行使時已發行及將予發行之股份數目，不得超過本公司已發行普通股股份之1%。

## Directors' and Chief Executive's Interests in Shares and Underlying Shares (continued)

### (II) Interests in underlying shares (continued)

Apart from the foregoing, none of the directors and chief executive of the Company or any of their spouses or children under eighteen years of age has any interests or short positions in the shares, underlying shares or debentures of the Company, or any of its subsidiaries or any interests as recorded in the register kept by the Company 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 Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") on 23 September 2004 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The Share Option Scheme shall be valid and effective for a period of 10 years ending on 22 September 2014, after which no further options will be granted. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant and the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant. The options vest immediately on the date of grant and are then exercisable within a period of ten years from the date of grant.

The total number of shares available for issue under the Share Option Scheme as at 31 March 2005 was 15,469,879 shares (including options for 12,124,000 shares that have been granted and remained outstanding at 31 March 2005) which represented 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. In respect of the maximum entitlement of each participant under the scheme, the number of shares 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.

## 購股權計劃 (續)

於二零零五年三月三十一日，本公司董事及僱員於接納根據本公司購股權計劃授予購股權之要約後，以港幣1元之價款授出可認購本公司股份(於二零零五年三月三十一日之每股市值為港幣13.20元)之購股權中擁有下列權益。該等購股權並未上市。持有人有權憑每項購股權認購一股本公司每股面值港幣0.50元普通股。

## Share Option Scheme (continued)

At 31 March 2005, the directors and employees of the Company had the following interests in the options to subscribe for shares of the Company (market value per share as at 31 March 2005 was HK\$13.20) granted for consideration of HK\$1 on acceptance of the offer of grant of an option 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\$0.50 each of the Company.

	授予日期 Date of grant	行使期間 Exercise period	購股權數目 Number of share options			年內行使 購股權購入 的股份數目 Number of shares acquired on exercise of options during the year	每股 行使價 Exercise price per share (HK\$)	授予 購股權的 每日市價 Market value per date of grant of options (HK\$)*	行使 購股權後 每股市價 Market value per share on exercise of options (HK\$)*
			已授予 Granted	已行使 Exercised	於二零零五年 三月三十一日 As at 31 March 2005				
<b>董事</b> Directors									
陳瑞球 Chan Sui Kau	17/01/2005	16/02/2005 to 15/02/2015	1,000,000	–	1,000,000	Nil	12.10	12.00	
陳永奎及 其配偶 Chan Wing Fui, Peter and his spouse	17/01/2005	16/02/2005 to 15/02/2015	1,500,000	–	1,500,000	Nil	12.10	12.00	
陳永燊 Chan Wing Sun, Samuel	17/01/2005	16/02/2005 to 15/02/2015	1,200,000	–	1,200,000	Nil	12.10	12.00	
周陳淑玲 Chan Suk Ling, Shirley	17/01/2005	16/02/2005 to 15/02/2015	1,500,000	–	1,500,000	Nil	12.10	12.00	
陳永棋 Chan Wing Kee	17/01/2005	16/02/2005 to 15/02/2015	800,000	–	800,000	Nil	12.10	12.00	
陳永滔 Chan Wing To	17/01/2005	16/02/2005 to 15/02/2015	500,000	–	500,000	Nil	12.10	12.00	
傅承蔭 Fu Sing Yam, William	17/01/2005	16/02/2005 to 15/02/2015	1,200,000	–	1,200,000	Nil	12.10	12.00	
梁學濂 Leung Hok Lim	17/01/2005	16/02/2005 to 15/02/2015	100,000	–	100,000	Nil	12.10	12.00	
王霖 Wong Lam	17/01/2005	16/02/2005 to 15/02/2015	25,000	–	25,000	Nil	12.10	12.00	
林克平 Lin Keping	17/01/2005	16/02/2005 to 15/02/2015	25,000	–	25,000	Nil	12.10	12.00	
			7,850,000	–	7,850,000				
<b>僱員</b> Employees	17/01/2005	16/02/2005 to 15/02/2015	4,314,000	40,000	4,274,000	40,000	12.10	12.00	13.95 to 14.50
<b>總計</b> Total			12,164,000	40,000	12,124,000				

## 購股權計劃 (續)

授予董事之購股權乃按身為實益擁有人之董事之名義登記。

- \* 為本公司普通股於緊接授出或行使(如適用)購股權日期前之加權平均收市價。

所授予之購股權僅於行使後，方會於財務報表內確認。上市規則第17.08條規定，上市發行人應於其年度報告及中期報告中披露財政年度內授予第17.07條第(i)至(v)段所述參與者之購股權之價值。董事認為，由於多個估值關鍵因素未能準確確定，因此對購股權進行估值不合時宜，而根據各種推測假設對購股權作出之估值並無意義，且可能誤導股東。因此，董事認為，僅披露已完全確定之相關市價及行使價乃屬適當。

除以上所述者外，本公司或其任何附屬公司均沒有在年內任何時間參與任何安排，致使本公司董事可以透過收購本公司或任何其他法團之股份或債權證而獲益。

## 主要股東及其他人士之股份權益

本公司概無獲知會須登記於根據證券及期貨條例第336條規定本公司須存置之登記冊之任何權益。

## 關連交易及董事之合約權益

依據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章所列之關連交易詳情載於財務報表附註第35項內。獨立非執行董事認為，該等關連交易均：

- (i) 於其一般及日常業務過程中進行；

## Share Option Scheme (continued)

The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

- \* being weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, as applicable.

The share options granted are not recognised in the financial statements until they are exercised. Rule 17.08 of the Listing Rules stipulates that a listed issuer is encouraged to disclose in its annual report and interim report the value of options granted to participants as referred to in (i) to (v) of Rule 17.07 during the financial year. The directors consider it inappropriate to value the share options as a number of factors critical for the valuation cannot be determined accurately. A valuation of the share options based on various speculative assumptions would be meaningless and could be misleading to the shareholders. The directors, therefore, consider the disclosure of only the relevant market price and exercise price, which are readily ascertainable, is appropriate.

Apart from the foregoing, at no time during the year was the 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.

## Substantial Shareholders' and Other Persons Interests in Shares

The Company has not been notified of any interests required to be recorded in the register kept by the Company under section 336 of the SFO.

## Connected Transactions and Directors' Interests in Contracts

Details of the connected transactions under Chapter 14A of the Listing Rules are set out in note 35 on the financial statements. In the opinion of the independent non-executive directors, the connected transactions were:

- (i) conducted in the ordinary and usual course of business;

## 關連交易及董事之合約權益 (續)

- (ii) 按正常商業條款或如無可供比較之條款，按本公司獨立股東認為公平合理之條款進行；及
- (iii) 按監管各項交易之協議條款或如並無該等協議，按不遜於給予獨立第三者或由獨立第三者提供（按適用者）之條款進行。

除以上所述者外，本公司或其任何附屬公司於年結時或年內任何時間，均沒有訂立任何本公司董事擁有關鍵性利益關係之重要合約。

## 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零五年三月三十一日止年度內均並無購買、出售或贖回本公司之上市證券。

## 銀行貸款及其他借款

本公司及本集團於二零零五年三月三十一日之銀行貸款及其他借款詳情載於財務報表附註第26項。

## 五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於本年報第110頁。

## 物業

本集團各項主要物業及物業權益之詳情載於財務報表附註第14項。

## Connected Transactions and Directors' Interests in Contracts (continued)

- (ii) either on normal commercial terms or, where there is no available comparison, on terms that are fair and reasonable so far as the independent shareholders of the Company are concerned; and
- (iii) either in accordance with the terms of the agreements governing such transactions or, where there are no such agreements, on terms no less favourable than those available to or from (as appropriate) independent third parties.

Apart from the foregoing, no contract of significance to which the Company or any of its 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.

## Purchase, Sale or Redemption of the Company's Listed Securities

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2005.

## Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 March 2005 are set out in note 26 on the financial statements.

## Five Year Financial 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 110 of the annual report.

## Properties

Particulars of the major properties and property interests of the Group are set out in note 14 on the financial statements.



## 退休計劃

本公司及其在香港之若干附屬公司已為所有合資格之僱員成立界定供款退休計劃（「該計劃」）。該計劃之資產以一名獨立信託人管理之公積金分開持有。根據該計劃之規則，僱主必須每月按僱員基本薪金之5%供款，而僱員可選擇供款與否。根據該計劃之規則，倘僱員在可取回全部僱主供款前退出計劃，被沒收之僱主供款將用作扣減日後之僱主供款或退回予僱主。

自二零零零年十二月一日強制性公積金（「強積金」）實施後，僱主供款現時是向強積金支付。強積金計劃是根據《強制性公積金計劃條例》實施，對象為《香港僱傭條例》管轄範圍之僱員。強積金計劃乃一項界定供款退休計劃，由獨立受託人負責管理。根據強積金計劃，僱主及僱員各須按僱員之有關收入之5%向該計劃作出供款，每月有關收入之上限為港幣20,000元。向該計劃作出之供款乃即時歸屬。

僱員於服務滿十年後，可得到僱主於強積金實施前按原有計劃作出之所有供款連同應計利息，或於服務三至九年後按遞增比例取回30%至90%之供款。

在中華人民共和國（「中國」）境內之本集團附屬公司之僱員是國家組織之職工社會養老保險計劃之成員。該等附屬公司須按僱員工資之若干百分比作出退休福利計劃供款。該等附屬公司就退休福利計劃所承擔之唯一責任是支付該計劃之供款。

一間在台灣成立之附屬公司根據當地《勞動基準法》參與一項定額福利退休計劃。該計劃之供款按應支付工資及薪酬之2%計算。

## Retirement Scheme

The Company and certain of its subsidiaries in Hong Kong operate a defined contribution retirement scheme (the "Scheme") for all qualified employees. The assets of the Scheme are held separately under a provident fund managed by an independent trustee. Pursuant to the rules of the Scheme, the employer is required to make contributions to the Scheme calculated at 5% of the employees' basic salaries on a monthly basis, whereas the employees' contributions are optional and, at their own discretion. Where there are employees who leave the Scheme prior to vesting fully in the contributions, in accordance with the rules of the Scheme, the forfeited employer's contributions shall be used to reduce the future contributions of the employer or shall be refunded to the employer on request.

Following the introduction of the Mandatory Provident Fund ("MPF") on 1 December 2000 employer contributions are now made to the MPF. The MPF scheme is operated under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees governed by the Employment Ordinance in Hong Kong. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

The employees are entitled to 100% of the employer's contributions made prior to the introduction of the MPF and the accrued interest after 10 complete years of service, or at an increasing scale of between 30% to 90% after completion of 3 to 9 years' service of the Scheme.

The employees of the subsidiaries in the People's Republic of China ("the PRC") are members of the state-sponsored retirement scheme organised by the government of the PRC. The subsidiaries are required to contribute a certain percentage of payroll to the retirement scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement scheme is the required contributions under the retirement scheme.

A subsidiary established in Taiwan participates in a defined benefit retirement plan established in accordance with the local labour standards law. Contributions to the plan are based upon 2% of wages and salaries paid.

## 遵守《最佳應用守則》

本公司在整個年度均有遵守香港聯合交易所有限公司所頒佈上市規則附錄十四所載《最佳應用守則》，惟本公司之非執行董事非按特定細則委任；彼等須按本公司之公司組織章程第95及104條於股東週年大會上輪值告退。

## 審核委員會

審核委員會由三名獨立非執行董事組成並向董事會報告。審核委員會與本集團之高級管理人員及外聘核數師定期會面，以檢討本集團內部監控系統之成效及審閱年報。

## 核數師

畢馬威會計師事務所即將告退，惟願膺選連任。由畢馬威會計師事務所連任本公司核數師之決議，將於即將召開之股東週年大會上提出。

承董事會命

公司秘書  
梁榮發

香港，二零零五年七月十三日

## 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 in Appendix 14 to the Listing Rules except that the non-executive directors of the Company are not appointed for a specific term but are subject to rotation in annual general meetings pursuant to Articles 95 and 104 of the Company's articles of association.

## Audit Committee

The audit committee comprises three independent non-executive directors and reports to the board of directors. The audit committee meets with the Group's senior management and external auditors regularly to review the effectiveness of the internal control systems and the annual report of the Group.

## Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

Leung Wing Fat  
Company Secretary

Hong Kong, 13 July 2005