

董事報告

Report of
the Directors

Report of the Directors

董事報告

The directors present their annual report together with the audited financial statements for the year ended 31 December 2005.

董事謹此提呈截至二零零五年十二月三十一日止年度之年報及經審核財務報表。

CHANGE OF NAME

更改公司名稱

Pursuant to a special resolution passed on 5 July 2005, the name of the Company was changed from Capital Prosper Limited to GFT Holdings Limited.

根據二零零五年七月五日通過之特別決議案，本公司由興旺行有限公司易名為真樂發控股有限公司。

PRINCIPAL ACTIVITIES

主要業務

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and manufacturing of toys, gifts, premium and consumer products. Details of the activities of the subsidiaries are set out in note 37 to the financial statements.

本公司乃一間投資控股公司，其附屬公司主要從事玩具、贈品、精品及消費產品產銷業務。各附屬公司之業務詳情載於財務報表附註37。

RESULTS AND APPROPRIATIONS

業績及分配

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 35.

本集團截至二零零五年十二月三十一日止年度之業績載於第35頁之綜合收益表。

The directors do not recommend the payment of a dividend for the year.

董事不建議派付本年度股息。

PROPERTY, PLANT AND EQUIPMENT

物業、廠房及設備

Details of movements in property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

本集團物業、廠房及設備年內變動之詳情載於財務報表附註14。

SHARE CAPITAL

股本

During the year, the Company issued 50,000,000 ordinary shares upon the convertible note holders exercised their conversion rights at a conversion price of HK\$0.05 per share.

本年內，本公司因可換股票據持有人按每股港幣0.05元之換股價行使換股權而發行50,000,000股普通股。

Details of movements in share capital of the Company during the year are set out in note 23 to the financial statements.

年內本公司股本變動詳情載於財務報表附註23。

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DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders at 31 December 2005 amounted to HK\$18,392,000 (2004: HK\$22,410,000).

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

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

Executive Directors:

Mr. Leung Wai Ho (*Chairman*)
Mr. Wong Chung Shun (*Deputy Chairman*)
Mr. Ha Kee Choy, Eugene

Independent Non-executive Directors:

Mr. Chui Chi Yun, Robert
Mr. Lam Kwok Cheong
Mr. Lai Wing Leung, Peter

In accordance with Bye-law 99 of the Company's Bye-laws, Mr. Leung Wai Ho and Mr. Wong Chung Shun will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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可供分派儲備

本公司於二零零五年十二月三十一日可分派予股東之儲備達港幣18,392,000元(二零零四年:港幣22,410,000元)。

根據百慕達1981年公司法(經修訂),實繳盈餘亦可分派予股東。然而,本公司在下列情況下不可從實繳盈餘中宣派或派發股息,或撥出款項分派:

- (i) 本公司當時或於派發股息後未能償還到期債務;或
- (ii) 本公司資產之可變現價值將因派發股息而少於負債、已發行股本以及股份溢價賬之總和。

董事

本公司年內及直至本報告日期止之董事如下:

執行董事:

梁蔚豪先生(主席)
黃仲遜先生(副主席)
夏其才先生

獨立非執行董事:

崔志仁先生
林國昌先生
黎永良先生

根據本公司細則第99條,梁蔚豪先生與黃仲遜先生將於應屆股東週年大會上輪席告退,彼等合資格並願意於應屆股東週年大會上膺選連任。

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The non-executive directors are subject to retirement by rotation in accordance with the Bye-laws of the Company.

根據本公司細則，各非執行董事須輪值告退。

DIRECTORS' SERVICE CONTRACTS

董事之服務合約

No directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

擬於應屆股東週年大會重選連任之董事概無訂有本集團於一年內不作賠償不能終止之服務合約（法定賠償除外）。

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

委任獨立非執行董事

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 Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

本公司已收到各獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條之規定向本公司發出之週年獨立性確認函。本公司認為各獨立非執行董事皆屬獨立人士。



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DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES

董事之股份及相關股份權益

At 31 December 2005, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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 the Listed Issuers (the "Model Code"), were as follows:

於二零零五年十二月三十一日，按照本公司根據證券及期貨條例第352條存置之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）而知會本公司及香港聯合交易所有限公司（「聯交所」）之資料，董事及彼等之聯繫人士於本公司及其相聯法團之股份及相關股份之權益如下：

(a) Long positions in the ordinary shares of the Company

(a) 於本公司普通股中持有之好倉：

Name of director 董事姓名	Number of ordinary shares held by 所持普通股數目			Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
	Beneficial owner 實益擁人	Controlled corporation 受控制法團	Total 總計	
Leung Wai Ho ("Mr. Leung") 梁蔚豪（「梁先生」）	22,500,000	330,560,000 (note i) (附註i)	353,060,000	22.4%
Wong Chung Shun ("Mr. Wong") 黃仲遜（「黃先生」）	22,500,000	330,560,000 (note ii) (附註ii)	353,060,000	22.4%



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Notes:

- (i) The shares were held by Charm Management Limited, a wholly-owned subsidiary of New Spread Investments Limited. Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited. As Mr. Leung owns the entire interest in Excel Advance Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 shares of the Company held by Charm Management Limited.
- (ii) As Mr. Wong owns the entire interest in Good Achieve Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 shares of the Company held by Charm Management Limited.

附註：

- (i) 該等股份由New Spread Investments Limited之全資附屬公司Charm Management Limited持有。Excel Advance Holdings Limited、Good Achieve Holdings Limited及Grand Achieve Group Limited各佔New Spread Investments Limited已發行股本之三分之一權益。由於梁先生實益擁有Excel Advance Holdings Limited之全部已發行股本，另擁有Grand Achieve Group Limited已發行股本之50%，梁先生因此被視作於Charm Management Limited持有之330,560,000股本公司股份中佔有權益。
- (ii) 由於黃先生實益擁有Good Achieve Holdings Limited之全部已發行股本，另擁有Grand Achieve Group Limited已發行股本之50%，黃先生因此被視作於Charm Management Limited持有之330,560,000股股份權益。

(b) Long positions in the share options of the Company

(b) 本公司購股權之好倉

Name of director 董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Leung Wai Ho 梁蔚豪	Beneficial owner 實益擁有人	1,278,540	1,278,540
Wong Chung Shun 黃仲遜	Beneficial owner 實益擁有人	1,278,540	1,278,540
Ha Kee Choy, Eugene 夏其才	Beneficial owner 實益擁有人	1,278,540	1,278,540
Chui Chi Yun, Robert 崔志仁	Beneficial owner 實益擁有人	1,278,540	1,278,540
Lam Kwok Cheong 林國昌	Beneficial owner 實益擁有人	1,278,540	1,278,540
Lai Wing Leung, Peter 黎永良	Beneficial owner 實益擁有人	1,278,540	1,278,540
		7,671,240	7,671,240

Save as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares of the Company or any of its associated corporations as at 31 December 2005.

除上文所披露者外，於二零零五年十二月三十一日，概無董事及彼等之聯繫人士於本公司或其任何相聯法團之任何股份、相關股份或債權證中擁有任何權益或淡倉。

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SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 25 to the financial statements.

The following table discloses movements in the Company's share options during the year:

購股權

本公司之購股權計劃詳情載於財務報表附註25。

年內本公司之購股權變動見下表披露：

Name of director 董事姓名	Exercisable period 行使期	Exercise price 行使價 HK\$ 港幣	Number of share options 購股權數目		
			Balance at 31.12.2004 於二零零四年 十二月三十一日 之結餘	Lapsed during the year 年內失效	Balance at 31.12.2005 於二零零五年 十二月三十一日 之結餘
Leung Wai Ho 梁蔚豪	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Wong Chung Shun 黃仲遜	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Ha Kee Choy, Eugene 夏其才	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Chui Chi Yun, Robert 崔志仁	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Lam Kwok Cheong 林國昌	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Lai Wing Leung, Peter 黎永良	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	1,278,540	—	1,278,540
Total for directors 董事總計			7,671,240	—	7,671,240
Employees 僱員	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	63,927,000	(12,785,400)	51,141,600
Others 其他	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	43,470,360	—	43,470,360
			115,068,600	(12,785,400)	102,283,200

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ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the convertible notes and the option holdings disclosed above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements 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

Saved as disclosed in note 35 to the financial statements, no contracts of significance to which the Company or 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.

購買股份或債權證之安排

除上文披露之可換股票據及購股權外，於本年度任何時間，本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買本公司或任何其他法人團體之股份或債權證而獲益。

董事之重大合約權益

除財務報表附註35所披露者外，本公司或其任何附屬公司概無訂立任何於年終或年內任何時間仍然有效，且本公司董事直接或間接擁有重大利益之重大合約。



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DIRECTORS' INTEREST IN COMPETING BUSINESS

董事於競爭業務之權益

Interests of the directors in competing businesses to the Group as at 31 December 2005 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

於二零零五年十二月三十一日，董事須根據上市規則第8.10條披露彼等於本集團的競爭業務之權益如下：

Name of director 董事姓名	Name of company 公司名稱	Nature of competing business 競爭業務性質	Nature of interest 權益性質
Leung Wai Ho 梁蔚豪	General Fast Trading Limited 真樂發貿易有限公司	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder 董事及股東
	United Force Overseas Company Limited 科時貿易有限公司	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder 董事及股東
Wong Chung Shun 黃仲遜	General Fast Trading Limited 真樂發貿易有限公司	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder 董事及股東
	United Force Overseas Company Limited 科時貿易有限公司	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder 董事及股東

Save as disclosed above, none of the directors was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

除上文披露者外，董事概無於可與或應會與本集團業務構成直接或間接競爭之任何業務中擁有權益。

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 31 December 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

於二零零五年十二月三十一日，按本公司根據證券及期貨條例第336條存置之主要股東名冊記錄，除上文披露之董事權益外，以下股東已通知本公司有關於本公司已發行股本之權益及淡倉。

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Long positions in the Shares

股份之好倉

Name of shareholder	股東姓名	Note 附註	Number of ordinary shares held 所持普通股數目		Percentage of of issued share capital of the Company
			Direct interest 直接權益	Deemed interest 視作權益	佔本公司已發行 股本之百分比
Charm Management Limited	Charm Management Limited		330,560,000	—	20.9%
New Spread Investments Limited	New Spread Investments Limited	(i)	—	330,560,000	20.9%
Excel Advance Holdings Limited	Excel Advance Holdings Limited	(i)	—	330,560,000	20.9%
Good Achieve Holdings Limited	Good Achieve Holdings Limited	(i)	—	330,560,000	20.9%
Grand Achieve Group Limited	Grand Achieve Group Limited	(i)	—	330,560,000	20.9%
Tokyo Unique (Hongkong) Limited	東京唯一(香港)有限公司		194,800,000	—	12.3%
Tokyo Unique Co., Ltd.	Tokyo Unique Co., Ltd.	(ii)	—	194,800,000	12.3%
Takeaki Maeda	Takeaki Maeda	(ii)	—	194,800,000	12.3%
Merrill Lynch & Co., Inc	Merrill Lynch & Co., Inc	(iii)	—	141,778,000	9.0%

Notes:

- (i) Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited, which in turn owns the entire interest in Charm Management Limited. Therefore, each of Excel Advance Holdings Limited, Good Achieve Holdings Limited, Grand Achieve Group Limited and New Spread Investments Limited is deemed to be interested in 330,560,000 shares of the Company.
- (ii) Tokyo Unique (Hongkong) Limited is owned as to 67% by Tokyo Unique Co., Ltd., which in turn is controlled by Mr. Takeaki Maeda. Thus, both Tokyo Unique Co., Ltd. and Mr. Takeaki Maeda are deemed to be interested in 194,800,000 shares of the Company.
- (iii) Merrill Lynch & Co., Inc. is interested in 141,778,000 shares of the Company which are corporate interest held through Merrill Lynch International, Inc, Merrill Lynch International Holdings Inc., Merrill Lynch Europe Plc, Merrill Lynch Holdings Limited and Merrill Lynch International.

附註：

- (i) Excel Advance Holdings Limited、Good Achieve Holdings Limited及Grand Achieve Group Limited各自持有New Spread Investments Limited之三份一已發行股本，而New Spread Investments Limited則全資擁有Charm Management Limited，因此Excel Advance Holdings Limited、Good Achieve Holdings Limited及Grand Achieve Group Limited各公司均被視為於330,560,000股本公司股份中擁有權益。
- (ii) 東京唯一(香港)有限公司由Takeaki Maeda先生控制之Tokyo Unique Co., Ltd.擁有67%權益，因此Tokyo Unique Co., Ltd.與Takeaki Maeda先生均被視為於194,800,000股本公司股份中擁有權益。
- (iii) Merrill Lynch & Co., Inc.擁有141,778,000股本公司股份權益，此為透過Merrill Lynch International, Inc、Merrill Lynch International Holdings Inc.、Merrill Lynch Europe Plc、Merrill Lynch Holdings Limited及Merrill Lynch International持有之公司權益。

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Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 31 December 2005.

CONNECTED TRANSACTIONS

On 22 December 2004, an asset transfer agreement was entered into between 宏科電子(惠州)有限公司, a wholly owned subsidiary of the Company, and Force Electronics (Huizhou) Limited (“Force”) whereby Force agreed to transfer the land use right of a parcel of land situated in Boluo, Huizhou City, Guangdong together with the industrial building and ancillary facilities erected thereon at a consideration of RMB 8.0 million (equivalent to approximately HK\$7.5 million).

The transfer constituted a connected transaction as Force is owned as to 45% by Mr. Leung and 45% by Mr. Wong. The transfer was completed on 4 March 2005.

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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

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除上文披露之權益外，本公司根據證券及期貨條例第336條存置之主要股東登記冊中未記有任何人士於二零零五年十二月三十一日在本公司已發行股本擁有須具報之權益或淡倉。

關連交易

二零零四年十二月二十二日，本公司之全資附屬公司宏科電子(惠州)有限公司與科時電子(惠州)有限公司(「科時」)訂立資產轉讓協議，據此，科時同意轉讓位於廣東惠州市博羅之一幅土地之土地使用權以及興建於其上之工業樓宇及配套設施，代價為人民幣8,000,000元(相當於約港幣7,500,000元)。

科時乃由梁先生及黃先生各擁有45%。因此，此項轉讓構成一項關連交易。此項轉讓已於二零零五年三月四日完成。

購買、出或贖回本公司之上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

優先購買權

本公司細則或百慕達法例均無有關優先購買權之條款，規定本公司須按比例向現有股東發售新股份。

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MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers comprised approximately 49% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 15% of the Group's total sales for the year.

The aggregate purchases attributable to the Group's five largest suppliers comprised approximately 43% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 30% of the Group's total purchases for the year.

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, owns more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers and suppliers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Leung Wai Ho
Chairman

Hong Kong, 24 April 2006

主要客戶及供應商

本年度，本集團對五大客戶之銷售總額佔本集團總銷售額約49%。本集團最大客戶之銷售額約佔本集團總銷售額約15%。

本年度，本集團自五大供應商之採購總額佔本集團總採購額約43%。本集團自最大供應商之採購額約佔本集團總採購額約30%。

各董事或彼等之聯繫人士或就董事所知擁有本公司已發行股本5%以上之股東，概無在本集團五大客戶或五大供應商之股本中擁有任何權益。

充足公眾持股量

根據本公司所知之公開資料及就董事於本報告刊行前之最後可行日期所知，本公司一直維持上市規則規定之充足公眾持股量。

核數師

本公司將於股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席
梁蔚豪

香港，二零零六年四月二十四日