

董事會報告 Directors' Report

董事會謹此提呈截至二零零五年十二月三十一日止年度本公司及本集團之年報及經審核財務報表。

主要業務

本公司為投資控股公司，而其主要附屬公司及主要聯營公司之業務詳情，分別載於財務報表附註43及44。

附屬公司及聯營公司

有關本公司之主要附屬公司及主要聯營公司於二零零五年十二月三十一日之詳情，分別載於財務報表附註43及44。

業績

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頁之綜合收入表。

五年財務概要

本集團截至二零零五年十二月三十一日止年度最近五個財政年度之業績及資產與負債之概要載於第132頁。

物業、機器及設備及投資物業

本集團之物業、機器及設備及投資物業於年內之變動詳情，分別載於財務報表附註6及8。

股本

本公司之股本於年內之變動詳情載於財務報表附註23。

儲備

本集團及本公司於年內之儲備變動詳情載於財務報表附註24。

可分派儲備

於二零零五年十二月三十一日，本公司並無可分派之儲備。

The directors present their annual report and the audited financial statements of the Company and the Group for the year ended 31st December, 2005.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and principal associates are set out in notes 43 and 44 to the financial statements respectively.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and principal associates as at 31st December, 2005 are set out in notes 43 and 44 to the financial statements respectively.

RESULTS

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years ended 31st December, 2005 is set out on page 132.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 6 and 8 to the financial statements respectively.

SHARE CAPITAL

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

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 24 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31st December, 2005, the Company had no reserve available for distribution.

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主要客戶及供應商

截至二零零五年十二月三十一日止年度，本集團五大客戶共佔本集團營業額約60.7%。本集團最大客戶佔本集團營業額約21.9%。

截至二零零五年十二月三十一日止年度，本集團五大供應商合共佔本集團採購額約50.8%，本集團最大供應商佔本集團採購額約11.9%。

各董事、彼等之聯繫人士或任何股東（就董事所知擁有本公司已發行股本5%以上者）於本集團五大客戶或五大供應商中概無擁有任何權益。

董事

本年度及截至本年報刊發日期在任之董事如下：

執行董事：

向華強先生
陳明英女士
李玉嫦女士

獨立非執行董事：

洪祖星先生
何偉志先生
馮浩森先生

根據本公司之公司細則第99(A)條，向華強先生、陳明英女士及李玉嫦女士將於即將舉行之股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

根據本公司之公司細則，各獨立非執行董事均無特定任期，可留任直至須輪值告退為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂任何不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2005, turnover attributable to the five largest customers of the Group accounted for approximately 60.7% of the Group's turnover and turnover attributable to the Group's largest customer accounted for approximately 21.9% of the Group's turnover.

For the year ended 31st December, 2005, purchases attributable to the five largest suppliers of the Group accounted for approximately 50.8% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 11.9% of the Group's purchases.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers or five largest suppliers.

DIRECTORS

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

Executive directors:

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany
Ms. Li Yuk Sheung

Independent non-executive directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Fung Ho Sum

Under Bye-law 99(A) of the Company's Bye-laws, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

No director 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 within one year without payment of compensation (other than statutory compensation).

董事會報告 Directors' Report

董事之股份及相關股份權益

根據本公司按《證券及期貨條例》(「證券及期貨條例」)第352條存置之登記冊(「權益登記冊」)所載，或本公司及香港聯合交易所有限公司(「聯交所」)根據《上市發行人董事進行證券交易的標準守則》(「標準守則」)接獲之通知，於二零零五年十二月三十一日，各董事及彼等之聯繫人士所擁有本公司及其相聯法團之股份及相關股份權益如下：

1. 本公司普通股權益

董事姓名
Name of director

身份
Capacity

所持股份數目
Number of shares held

所持權益
百分比約數
Approximate percentage of interests held

向華強先生
Mr. Heung Wah Keung
(「向先生」)
("Mr. Heung")

實益擁有人／配偶之權益／
受控法團之權益
Beneficial owner/interest of spouse/interest of controlled corporation

108,239,410*

20.79

陳明英女士
Ms. Chen Ming Yin, Tiffany
(「陳女士」)
("Ms. Chen")

實益擁有人／配偶之權益／
受控法團之權益
Beneficial owner/interest of spouse/interest of controlled corporation

108,239,410*

20.79

李玉嫦女士
Ms. Li Yuk Sheung

實益擁有人
Beneficial owner

16

0.00

上述權益皆為好倉。

All interests stated above represent long positions.

* 此等股份當中18,395,000股由向先生持有、9,429,410股由陳女士(向先生之配偶)持有、61,905,000股由陳女士全資擁有之Porterstone Limited(「Porterstone」)持有及18,510,000股由Glenstone Investments Limited全資擁有之多實有限公司(「多實」)持有。Glenstone Investments Limited由Porterstone及向先生分別控制其60%及40%權益。

* These shares are held as to 18,395,000 shares by Mr. Heung, as to 9,429,410 shares by Ms. Chen (the spouse of Mr. Heung), as to 61,905,000 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen) and as to 18,510,000 shares by Dorest Company Limited ("Dorest") (a company wholly-owned by Glenstone Investments Limited which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung).

董事會報告 Directors' Report

董事之股份及相關股份權益 (續)

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

2. 購買本公司股份之權利

於二零零五年十二月三十一日，本公司董事擁有以下所獲授可認購本公司股份之購股權權益：

2. Rights to acquire shares in the Company

As at 31st December, 2005, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

董事姓名 Name of director	行使期 Exercisable period (附註d) (Note d)	每股行使價 Exercise price per share 港元 HK\$	於二零零五年一月一日及 二零零五年十二月三十一日 尚未行使之購股權涉及之相關股份數目 Number of underlying shares comprised in the outstanding share options as at 01.01.2005 and 31.12.2005			所持權益 百分比約數 Approximate percentage of interest held
			直接權益 Direct interest	被視為擁有權益 Deemed interest	總數 Total	
向先生 Mr. Heung	21.11.1996 – 20.11.2006	60.510	337,135	337,134	674,269	0.52
	28.03.2000 – 27.03.2010	16.783	461,061	461,062	922,123	
	02.06.2000 – 01.06.2010	8.134	208,753	208,753	417,506	
	16.07.2002 – 15.07.2012	1.716	110,723	110,723	221,446	
	17.07.2003 – 16.07.2013	0.564	228,500	228,500	457,000	
			1,346,172	1,346,172 (附註a) (Note a)	2,692,344	
陳女士 Ms. Chen	21.11.1996 – 20.11.2006	60.510	337,134	337,135	674,269	0.52
	28.03.2000 – 27.03.2010	16.783	461,062	461,061	922,123	
	02.06.2000 – 01.06.2010	8.134	208,753	208,753	417,506	
	16.07.2002 – 15.07.2012	1.716	110,723	110,723	221,446	
	17.07.2003 – 16.07.2013	0.564	228,500	228,500	457,000	
			1,346,172	1,346,172 (附註b) (Note b)	2,692,344	
李玉嫦女士 Ms. Li Yuk Sheung	16.07.2002 – 15.07.2012	1.716	1,109,557	-	1,109,557	0.65 (附註c) (Note c)
	17.07.2003 – 16.07.2013	0.564	2,285,000	-	2,285,000	
			3,394,557	-	3,394,557	

上述權益皆為好倉。

All interests stated above represent long positions.

附註：

Notes:

- 此等購股權由陳女士(向先生之配偶)持有，向先生因此被視為擁有此等購股權。
- 此等購股權由向先生持有，陳女士因此被視為擁有此等購股權。
- 於二零零五年十二月三十一日，該董事於權益登記冊中所記錄之所持權益百分比為1.49%，此乃基於本公司於二零零三年七月十七日(該董事於二零零五年十二月三十一日前最新呈報之通知函之日期)之228,519,396股已發行股份計算所得。
- 行使期由授出有關購股權當日開始。

- These share options are held by Ms. Chen, the spouse of Mr. Heung. Mr. Heung is therefore deemed to be interested in these share options.
- These share options are held by Mr. Heung. Ms. Chen is therefore deemed to be interested in these share options.
- As at 31st December, 2005, the percentage of interests held by such director was 1.49% as recorded in the Register of Interests, which was calculated based on 228,519,396 issued shares of the Company on 17th July, 2003 (the date of the latest notice filed by such director before 31st December, 2005).
- The exercisable period commenced on the date of grant of the relevant share options.

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董事之股份及相關股份權益 (續)

除上述所披露者外，於二零零五年十二月三十一日，根據權益登記冊所記錄或根據標準守則須通知本公司及聯交所之規定，本公司董事及最高行政人員或彼等之聯繫人並無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有任何權益或淡倉。

除上述所披露者外，本公司或其任何附屬公司於年內任何時間並無參與任何安排，致使本公司之董事、彼等之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體任何股份或債券而獲益。

購股權計劃

本公司購股權計劃之詳情，根據購股權計劃所授出可認購本公司每股面值0.05港元之股份之購股權變動及購股權公平價值詳情，已載於財務報表附註41。

關連人士交易及董事於合約之權益

本集團於年內所訂立、且根據聯交所證券上市規則(「上市規則」)之規定並不構成關連交易之重大關連人士交易，及董事於合約之權益詳情載於財務報表附註43。

除上述所披露者外，於年度終結或年內任何時間並無任何由本公司或其任何附屬公司參與訂立而本公司董事直接或間接擁有重大權益之重大合約。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Other than as set out above, as at 31st December, 2005, none of the directors or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the Register of Interests or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as 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 or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes, details of movements in the share options to subscribe for shares of HK\$0.05 each in the Company granted under the share option schemes and the fair value of the share options are set out in note 41 to the financial statements.

RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Details of the significant related party transactions entered into by the Group which do not constitute connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and directors' interests in contracts for the year are set out in note 43 to the financial statements.

Other than as disclosed above, no contracts 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, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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主要股東

於二零零五年十二月三十一日，根據證券及期貨條例第336條本公司須予備存之主要股東登記名冊所記錄，除上文所披露若干董事之權益外，以下股東擁有本公司已發行股本5%或以上之權益：

名稱 Name	身份 Capacity	所持股份數目 Number of shares held	所持權益 百份比約數 Approximate percentage of interests held
Porterstone	實益擁有人 Beneficial owner	61,905,000	
	受控法團之權益 Interest of controlled corporation	18,510,000 *	
		80,415,000	15.45

上述權益皆為好倉。

附註：

* 此等股份由Glenstone Investments Limited全資擁有之附屬公司多實持有，Glenstone Investments Limited 則由Porterstone實益擁有60%權益。

除上文所披露者外，於二零零五年十二月三十一日，本公司並未獲知會有任何其他人士擁有本公司已發行股本5%或以上之權益或淡倉。

退休福利計劃

本集團之退休福利計劃詳情載於財務報表附註40。

購買、出售及贖回本公司之上市證券

於年內本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

優先購買權

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

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2005, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

所持股份數目 Number of shares held	所持權益 百份比約數 Approximate percentage of interests held
61,905,000	
18,510,000 *	
80,415,000	15.45

All interests stated above represent long positions.

Note:

* These shares are held by Dorest, a wholly-owned subsidiary of Glenstone Investments Limited which is in turn beneficially owned as to 60% by Porterstone.

Other than as disclosed above, the Company had not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital as at 31st December, 2005.

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 40 to the financial statements.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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 existing shareholders.

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企業管治

本公司致力於維持高質素之企業管治水平。有關本公司採納之企業管治常規的資料載於年報第21至29頁「企業管治報告」內。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日止已按照上市規則規定維持指定數額的公眾持股量。

結算日後事項

於結算日後發生之重大事項詳情載於財務報表附註45。

核數師

國衛會計師事務所於二零零五年六月二十九日本公司舉行之股東週年大會（「二零零五年股東週年大會」）上獲委聘為本公司之核數師，以替任於二零零五年五月二十六日通知本公司彼將不會在二零零五年股東週年大會上尋求膺選連任為本公司核數師之德勤•關黃陳方會計師行。

本公司財務報表已由國衛會計師事務所審核，彼將於即將舉行之股東週年大會上退任，惟彼合符資格並願意膺選連任。

承董事會命
主席
向華強

香港，二零零六年四月二十四日

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 21 to 29 to the annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

SUBSEQUENT EVENTS

Details of the significant subsequent events are set out in note 45 to the financial statements.

AUDITORS

Messrs. HLB Hodgson Impey Cheng were appointed as the auditors of the Company in the annual general meeting of the Company held on 29th June, 2005 ("2005 AGM") in succession to Messrs. Deloitte Touche Tohmatsu who advised the Company on 26th May, 2005 that they would not seek re-appointment as auditors of the Company in the 2005 AGM.

The financial statements of the Company have been audited by Messrs. HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment as auditors of the Company at the forthcoming annual general meeting.

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 24th April, 2006