

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2006.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries as at 31 December 2006 are set out in note 39 to the consolidated financial statements.

## RESULTS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 44.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers in aggregate accounted for approximately 86% of the turnover of the Group and the largest customer accounted for approximately 32% of the turnover of the Group while the largest supplier, Shenzhen Top Guo Wei Electronics Co., Ltd. ("Guo Wei") accounted for 98% of the purchases of the Group.

At no time during the year did a director, an associate of a director (within the meaning of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")) or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or the largest supplier.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29 to the consolidated financial statements.

董事會謹此提呈截至二零零六年十二月三十一日止年度之年報及經審核綜合財務報表。

## 主要業務

本公司乃投資控股公司，並提供公司管理服務。本公司各主要附屬公司於二零零六年十二月三十一日之業務載於綜合財務報表附註39。

## 業績

本集團截至二零零六年十二月三十一日止年度之業績載於第44頁之綜合收益表。

## 主要客戶及供應商

年內，五大客戶合共佔本集團營業額約86%，最大客戶則佔本集團營業額約32%；而最大供應商深圳托普國威電子有限公司（「國威」）則佔本集團購貨額98%。

董事、董事之聯繫人士（定義見香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」））或據董事會所知擁有本公司股本5%以上之本公司股東，概無於年內任何時間擁有本集團五大客戶或最大供應商之任何權益。

## 物業、廠房及設備

年內本集團物業、廠房及設備之變動詳情載於綜合財務報表附註16。

## 股本

年內本公司股本之變動詳情載於綜合財務報表附註29。

## DIRECTORS' REPORT

### 董事會報告書

#### DIRECTORS

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

##### **Executive directors:**

Peter Francis AMOUR – *Chairman*  
 Malcolm Stephen JACOBS-PATON  
 LEUNG Shek Kong  
 MAK Chee Bun  
 CHEUNG Chi Wai (appointed on 15 February 2007)  
 Yoshinori MATSUOKA (appointed on 18 August 2006 and  
 resigned on 3 November 2006)

##### **Independent non-executive directors:**

Thomas CHIA  
 Edward Hungerford  
 MILWARD-OLIVER  
 Stanley CHAN  
 Satoru OMORI (appointed on 18 August 2006 and  
 resigned on 3 November 2006)  
 Minoru KAMEDA (appointed on 18 August 2006 and  
 resigned on 3 November 2006)  
 Masashi KIKUMOTO (appointed on 18 August 2006 and  
 resigned on 3 November 2006)  
 Jun SAKAMAKI (appointed on 18 August 2006 and  
 resigned on 3 November 2006)  
 Tony PISCHEDDA (appointed on 18 August 2006 and  
 resigned on 3 November 2006)

In accordance with Clauses 86(2), 87(1) and 87(2) of the Company's Bye-laws, Mr Cheung Chi Wai, Mr Leung Shek Kong and Mr Thomas Chia retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

#### 董事

本公司年內及截至本報告日期止之董事名單如下：

##### **執行董事：**

區沛達 – 主席  
 Malcolm Stephen JACOBS-PATON  
 梁錫光  
 麥致貴  
 張志偉 (於二零零七年二月十五日獲委任)  
 Yoshinori (於二零零六年八月十八日獲委任  
 MATSUOKA 及於二零零六年十一月三日辭任)

##### **獨立非執行董事：**

賈元平  
 Edward Hungerford  
 MILWARD-OLIVER  
 陳石麟  
 Satoru OMORI (於二零零六年八月十八日獲委任  
 及於二零零六年十一月三日辭任)  
 Minoru KAMEDA (於二零零六年八月十八日獲委任  
 及於二零零六年十一月三日辭任)  
 Masashi (於二零零六年八月十八日獲委任  
 KIKUMOTO 及於二零零六年十一月三日辭任)  
 Jun SAKAMAKI (於二零零六年八月十八日獲委任  
 及於二零零六年十一月三日辭任)  
 Tony (於二零零六年八月十八日獲委任  
 PISCHEDDA 及於二零零六年十一月三日辭任)

根據本公司之公司細則第86(2)、87(1)及87(2)條，張志偉先生、梁錫光先生及賈元平先生將於即將舉行之股東週年大會上輪值告退，彼等符合資格並願意膺選連任。

各獨立非執行董事之任期由獲委任當日起計，直至根據本公司之公司細則輪值告退為止。

## DIRECTORS' SERVICE CONTRACTS

No director 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).

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2006, the interests of the directors, chief executive and their associates in the 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### Long position

Ordinary shares of HK\$0.10 each of the Company

## 董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本集團訂立於一年內不作補償(法定補償除外)則不可終止之服務合約。

## 董事及主要行政人員之股份權益

於二零零六年十二月三十一日，董事、主要行政人員及彼等之聯繫人士在本公司及其相聯法團股份中，擁有記錄於本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置之股東名冊，或根據上市公司董事進行證券交易之標準守則而須知會本公司及聯交所之權益如下：

### 好倉

本公司每股面值0.10港元之普通股

### Number of ordinary shares held 所持普通股數目

Name of Director 董事姓名	Personal interests 個人權益	Corporate interests 公司權益	Percentage of the issued share capital of the Company (Note 1) 佔本公司已發行股本百分比 (附註1)	Notes 附註	
			%		
Peter Francis AMOUR	區沛達	9,088,430	114,956,422	20.18	2, 3, 4
Malcolm Stephen JACOBS-PATON		601,803	-	0.10	5
LEUNG Shek Kong	梁錫光	37,458,924	-	6.10	6
MAK Chee Bun	麥致賁	3,010,126	-	0.49	7
Thomas CHIA	賈元平	60,000	-	0.01	-

### Notes:

- The shareholding percentage are calculated as if the Company's issued share capital has been enlarged by the completion of the Rights Issue (the Underwriting Agreement for which was signed on 11 December 2006 and which was completed in January 2007) to 614,615,490 shares.
- Mr Amour is also deemed to be interested in the shareholding interests in the Company held by Suncorp Partners Limited ("Suncorp Partners"), as he is entitled to exercise one third or more of the voting power at its general meetings.

### 附註：

- 計算該股權百分比時乃假設本公司已發行股本經因完成供股(有關之包銷協議已於二零零六年十二月十一日簽訂，而供股已於二零零七年一月完成)而擴大至614,615,490股。
- 由於區沛達先生有權於Suncorp Partners Limited(「Suncorp Partners」)股東大會上行使三分之一或以上的投票權，故亦被視為持有該公司所持之本公司股權。

## DIRECTORS' REPORT

### 董事會報告書

#### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (continued)

3. Suncorp Partners had undertaken to subscribe for its full entitlement under the Rights Issue to take up 38,318,807 Rights Shares. As a result, Suncorp Partners would hold 114,956,422 Shares in aggregate after the completion of Rights Issue.
4. Mr Amour had undertaken to subscribe for his full entitlement under the Rights Issue to take up 200,000 Rights Shares. Furthermore, pursuant to the Underwriting Agreement, Mr Amour had agreed to underwrite the Rights Issue to the extent of 8,488,430 Rights Shares. As a result, Mr Amour would hold 9,088,430 Shares in aggregate after the completion of Rights Issue assuming he were to be required to take up all the Rights Shares underwritten by him.
5. Mr Jacobs-Paton had undertaken to subscribe for his full entitlement under the Rights Issue to take up 200,601 Rights Shares. As a result, Mr Jacobs-Paton would hold 601,803 Shares in aggregate after the completion of Rights Issue.
6. Mr Leung had undertaken to subscribe for his full entitlement under the Rights Issue to take up 1,168,402 Rights Shares. Furthermore, pursuant to the Underwriting Agreement, Mr Leung had agreed to underwrite the Rights Issue to the extent of 33,953,718 Rights Shares. As a result, Mr Leung would hold 37,458,924 Shares in aggregate after the completion of Rights Issue assuming he were to be required to take up all the Rights Shares underwritten by him.
7. Mr Mak had undertaken to subscribe for his full entitlement under the Rights Issue which is 1,003,375 Rights Shares. As a result, Mr Mak will hold 3,010,126 Shares in aggregate after the completion of Rights Issue.

Save as disclosed above, and save for the share option disclosed under the heading of "Share Options" and other than certain nominee shares in subsidiaries held in trust for the Group, at 31 December 2006, none of the directors, chief executives and their associates had any interests or short positions in any shares of the Company or any of its associated corporations.

#### 董事及主要行政人員之股份權益 (續)

3. Suncorp Partners已承諾全數認購供股的配額，即38,318,807股供股股份。因此，Suncorp Partners於供股完成後將持有共114,956,422股股份。
4. 區沛達先生已承諾全數認購供股的配額，即200,000股供股股份。此外，根據包銷協議，區沛達先生同意包銷供股，以8,488,430股供股股份為限。因此，於供股完成後，假設區沛達先生須全數認購所包銷之供股股份，則其將持有共9,088,430股股份。
5. Jacobs-Paton先生已承諾全數認購供股的配額，即200,601股供股股份。因此，Jacobs-Paton先生於供股完成後將持有共601,803股股份。
6. 梁先生已承諾全數認購供股的配額，即1,168,402股供股股份。此外，根據包銷協議，梁先生同意包銷供股，以33,953,718股供股股份為限。因此，於供股完成後，假設梁先生須全數認購所包銷之供股股份，則其將持有共37,458,924股股份。
7. 麥先生已承諾全數認購供股的配額，即1,003,375股供股股份。因此，麥先生於供股完成後將持有共3,010,126股股份。

除上文所披露者及除根據「購股權」項下所披露之購股權及以信託形式為本集團持有於附屬公司之若干代理人股份以外，於二零零六年十二月三十一日，董事、主要行政人員及彼等之聯繫人士概無在本公司或其任何相聯法團之任何股份中擁有任何權益或淡倉。

## SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 30 to the consolidated financial statements.

The following table discloses movements in the Company's share options held by the directors and employees during the year:

## 購股權

本公司之購股權計劃詳情載於綜合財務報表附註30。

下表披露董事及僱員持有之本公司購股權於年內之變動：

Directors	Notes	Date of grant	Exercise period	Exercise price	Balance at 1.1.2006 於二零零六年一月一日之結餘	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Balance at 12.31.2006 於二零零六年十二月三十一日之結餘
董事	附註	授出日期	行使期	行使價 HK\$ 港元 (Note a) (附註a)				(Note a) (附註a)
Peter Francis AMOUR 區沛達	(b)	4.12.2002	4.12.2002 - 3.12.2007	0.292	125,000	-	-	125,000
	(b)	3.3.2003	3.3.2003 - 2.3.2008	0.385	1,100,000	-	-	1,100,000
	(b)	9.12.2003	9.12.2003 - 8.12.2008	1.020	1,900,000	-	-	1,900,000
	(b)	16.3.2004	16.3.2004 - 15.3.2009	0.996	1,100,000	-	-	1,100,000
Malcolm Stephen JACOBS - PATON	(b)	4.12.2002	4.12.2002 - 3.12.2007	0.291	1,500,000	-	-	1,500,000
	(b)	3.3.2003	3.3.2003 - 2.3.2008	0.385	1,100,000	-	-	1,100,000
	(b)	9.12.2003	9.12.2003 - 8.12.2008	1.020	1,900,000	-	-	1,900,000
	(b)	16.3.2004	16.3.2004 - 15.3.2009	0.996	1,100,000	-	-	1,100,000
LEUNG Shek Kong 梁錫光	(b)	4.12.2002	4.12.2002 - 3.12.2007	0.292	125,000	-	-	125,000
	(b)	3.3.2003	3.3.2003 - 2.3.2008	0.385	1,100,000	-	-	1,100,000
	(b)	9.12.2003	9.12.2003 - 8.12.2008	1.020	1,900,000	-	-	1,900,000
	(b)	16.3.2004	16.3.2004 - 15.3.2009	0.996	1,100,000	-	-	1,100,000
MAK Chee Bun 麥致貴	(b)	4.12.2002	4.12.2002 - 3.12.2007	0.292	125,000	-	-	125,000
	(b)	3.3.2003	3.3.2003 - 2.3.2008	0.385	1,100,000	-	-	1,100,000
	(b)	9.12.2003	9.12.2003 - 8.12.2008	1.020	1,900,000	-	-	1,900,000
	(b)	16.3.2004	16.3.2004 - 15.3.2009	0.996	1,100,000	-	-	1,100,000
Sub-total 小計					18,275,000	-	-	18,275,000
<b>Employees (Other than directors)</b>								
僱員 (不包括董事)								
	(b)	4.12.2002	4.12.2002 - 3.12.2007	0.292	20,000	-	-	20,000
	(b) & (c)	9.12.2003	9.12.2003 - 8.12.2008	1.020	2,340,000	(725,000)	(550,000)	1,065,000
	(b) & (d)	18.10.2004	18.4.2005 - 17.10.2009	2.120	2,412,000	-	(605,000)	1,807,000
Sub-total 小計					4,772,000	(725,000)	(1,155,000)	2,892,000
Total 總計					23,047,000	(725,000)	(1,155,000)	21,167,000

**SHARE OPTIONS (continued)***Notes:*

- (a) The number and exercise price of the share options granted will be adjusted as a result of the Rights Issue in the proportion of one Rights Share for every two shares at HK\$0.30 per Rights Share which was completed in January 2007. Details are set out in note 30 to the financial statements.
- (b) The options were granted pursuant to a share option scheme of the Company adopted on 23 May 2002.
- (c) The options are exercisable subject to (i) up to 50% of the options are exercisable from 9 December 2003 to 8 December 2004; (ii) all options are exercisable from 9 December 2004 to 8 December 2008.
- (d) The options are exercisable subject to (i) up to 50% of the options are exercisable from 18 April 2005 to 17 October 2005; (ii) all options are exercisable from 18 October 2005 to 17 October 2009.

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 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$1.62.

**購股權 (續)***附註：*

- (a) 授出購股權之數目及行使價會因已於二零零七年一月完成之供股(按每持有兩股股份可以每股供股股份0.30港元之價格認購一股供股股份之比例)而有所調整，有關詳情載於綜合財務報表附註30。
- (b) 該等購股權乃根據本公司於二零零二年五月二十三日採納之購股權計劃授出。
- (c) 該等購股權可予以行使，惟須受以下規限：(i)由二零零三年十二月九日起至二零零四年十二月八日止期間可行使最多50%之購股權；(ii)所有購股權可由二零零四年十二月九日起至二零零八年十二月八日止期間行使。
- (d) 該等購股權可予以行使，惟須受以下規限：(i)由二零零五年四月十八日起至二零零五年十月十七日止期間可行使最多50%之購股權；(ii)所有購股權可由二零零五年十月十八日起至二零零九年十月十七日止期間行使。

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，以使本公司董事可透過收購本公司或任何其他法團之股份或債權證而獲益。

緊接購股權獲行使日期前，本公司股份之加權平均收市價為1.62港元。

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, the register of substantial shareholders maintained pursuant to Section 336 of the SFO showed that other than the interests disclosed in "Directors' and Chief Executive's Interests in Shares", the following shareholders had notified the Company of its relevant interests in the issued capital of the Company.

### Long position

Ordinary shares of HK\$0.10 each of the Company

Name	Capacity	Number of shares held (Note 1)	Percentage of the issued share capital of the Company (Note 2)
名稱	身份	所持股份數目 (附註1)	佔本公司已發行股本百分比 (附註2) %
Suncorp Partners Limited (Note 3) (附註3)	Beneficial owner 實益擁有人	114,956,422	18.70
Chan Kam Tim 陳錦添	Beneficial owner 實益擁有人	64,388,350	10.48
Uniden Corporation	Beneficial owner 實益擁有人	82,000,000	13.34
Quam Securities Company Limited 華富嘉洛證券有限公司	Other (Note 4) 其他 (附註4)	95,054,333	15.47

### Notes:

- The information given above on the number of shares held is based on notifications received by the Company as at 31 December 2006.
- The shareholding percentage are calculated as if the Company's issued share capital has been enlarged by the completion of the Rights Issue (the Underwriting Agreement for which was signed on 11 December 2006 and which was completed in January 2007) to 614,615,490 shares.
- Suncorp Partners had undertaken to subscribe for its full entitlement under the Rights Issue to take up 38,318,807 Rights Shares. As a result, Suncorp Partners would hold 114,956,422 Shares in aggregate after the completion of Rights Issue.

## 主要股東

除「董事及主要行政人員之股份權益」所披露之權益外，按本公司遵照證券及期貨條例第336條存置之主要股東登記冊所披露，於二零零六年十二月三十一日，已就於本公司已發行股本之相關權益知會本公司之股東如下。

### 好倉

本公司每股面值0.10港元之普通股

Name	Capacity	Number of shares held (Note 1)	Percentage of the issued share capital of the Company (Note 2)
名稱	身份	所持股份數目 (附註1)	佔本公司已發行股本百分比 (附註2) %
Suncorp Partners Limited (Note 3) (附註3)	Beneficial owner 實益擁有人	114,956,422	18.70
Chan Kam Tim 陳錦添	Beneficial owner 實益擁有人	64,388,350	10.48
Uniden Corporation	Beneficial owner 實益擁有人	82,000,000	13.34
Quam Securities Company Limited 華富嘉洛證券有限公司	Other (Note 4) 其他 (附註4)	95,054,333	15.47

### 附註：

- 上文所提供關於所持股份數目資料乃根據本公司於二零零六年十二月三十一日收到之通知計算。
- 計算該股權百分比時乃假設本公司已發行股本經因完成供股(有關之包銷協議已於二零零六年十二月十一日簽訂，而供股已於二零零七年一月完成)而擴大至614,615,490股。
- Suncorp Partners已承諾全數認購供股的配額，即38,318,807股供股股份。因此，Suncorp Partners於供股完成後將持有共114,956,422股股份。

## DIRECTORS' REPORT

### 董事會報告書

#### SUBSTANTIAL SHAREHOLDERS (continued)

Notes: (continued)

4. This represents the Rights Shares that Quam Securities Company Limited was deemed to be interested in due to its underwriting commitment pursuant to the Underwriting Agreement dated 11 December 2006, assuming it were to be required to take up all of such shares.

Other than the interests disclosed above, as at 31 December 2006, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

#### GUARANTEES TO AFFILIATED COMPANIES

As at 31 December 2006, the guarantees given by the Group to banks in respect of banking facilities granted to Guo Wei, a jointly controlled entity amounted to approximately HK\$31.5 million.

The balance sheet of the above jointly controlled entity, which is extracted from its unaudited management accounts at 31 December 2006 is as follows:

Non-current assets	非流動資產	
Current assets	流動資產	
Current liabilities	流動負債	
Group's attributable interests	本集團應佔權益	

Included in the balance of current liabilities of HK\$866 million was HK\$638 million due to the Group against which an impairment loss of HK\$531 million had been recognised by the Group.

Details of the jointly controlled entity are set out in note 17 to the consolidated financial statements.

#### 主要股東 (續)

附註：(續)

4. 此乃指華富嘉洛證券有限公司根據於二零零六年十二月十一日訂立之包銷協議下之包銷責任，並假設其須認購全部該等股份而被視為擁有權益之供股股份。

除上文所披露之權益外，於二零零六年十二月三十一日，本公司並無獲知會根據證券及期貨條例第336條須予記錄之本公司股份或相關股份之任何其他有關權益或淡倉。

#### 對聯屬公司之擔保

於二零零六年十二月三十一日，本集團就授予一間合營公司國威之銀行融資約31,500,000港元而提供擔保。

上述合營公司之資產負債表乃摘錄自其於二零零六年十二月三十一日之未經審核管理賬目，並載列如下：

		HK\$'000 千港元
		162,004
		173,260
		(866,132)
		<u>(530,868)</u>
		<u>—</u>

於流動負債結餘866,000,000港元中，包括應付本集團款項638,000,000港元，本集團已就此確認減值虧損531,000,000港元。

有關合營公司之詳情載於綜合財務報表附註17。



### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company has no reserve available for distribution to shareholders as at 31 December 2006.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, a 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.

### 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.

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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.

### 董事於重大合約之權益

於年終或年內任何時間，本公司或其任何附屬公司概無訂立任何重大且本公司任何董事直接或間接擁有重大權益之合約。

### 本公司之可供分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予其股東之儲備。

根據百慕達一九八一年公司法（經修訂），本公司之繳入盈餘賬可作分派。惟在下列情況下，本公司不可宣布或派付股息，或從繳入盈餘中作出分派，如：

- (a) 本公司現已或將於分派後，無力償還到期債務；或
- (b) 本公司資產之可變現價值會因此少於債務加上其已發行股本及股份溢價賬。

### 優先購買權

本公司之公司細則或百慕達法例並無對優先購買權作出任何限制，促使本公司須按比例向現有股東提呈發售新股份。

### 獨立非執行董事之委任

根據上市規則第3.13條，本公司已經收到各獨立非執行董事就其獨立性而發出之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

**CONNECTED TRANSACTION**

On 10 July 2006, the Company, Uniden Hong Kong Limited ("Uniden HK") and Uniden Corporation ("Uniden") entered into a subscription agreement pursuant to which the Company has agreed to issue and allot to Uniden HK, and Uniden HK has agreed to subscribe for, 82,000,000 shares of the Company at an aggregate subscription price of HK\$143,500,000. The new shares represented approximately 20.01% of the enlarged issued share capital of the Company. Uniden HK has then become a substantial shareholder of the Company. On 26 January 2007, the shareholding of Uniden HK dropped to 13.52% as a result of a dilution following a rights issue by the Company.

In connection with the subscription agreement, on 10 July 2006, the Company also entered into a master production agreement and a business alliance agreement with Uniden for the production and supply by Uniden's group companies of telecommunication device products to the specifications provided by the Group.

During the year, the Group purchased finished goods from Uniden's group companies. These transactions are regarded as connected transactions pursuant to Chapter 14A of the Listing Rules. Particulars of the transactions are disclosed in note 38 to the consolidated financial statements. The independent non-executive directors confirm that these transactions were entered into by the Group in the ordinary course of its business.

On 17 March 2007, having considered all of the circumstances from the commencement of the Company's business relationship with Uniden in the context of the business alliance agreement and the master production agreement and, in particular, Uniden's breaches of those agreements, the Board resolved to exercise, in the Company's best interests, its right to terminate the business alliance agreement and the master production agreement with immediate effect because of Uniden's repudiatory breaches. Accordingly, on 19 March 2007, the Company gave notice to Uniden to terminate these agreements. It is the intention of the directors that the Company will, at the proper time under the court rules (which has not yet occurred), bring a counterclaim against Uniden and/or Uniden HK in the litigation which was commenced by the latter against the Company by the issue of a writ on 1 February 2007. The independent non-executive directors confirm that they believe that the aforesaid termination and proposed counterclaim to be in the best interests of the Company. Public announcements have already been made in respect of the litigation and termination on 6 February 2007 and 20 March 2007.

**關連交易**

於二零零六年七月十日，本公司、Uniden Hong Kong Limited (「Uniden HK」) 及 Uniden Corporation (「Uniden」) 訂立認購協議，據此，本公司同意向Uniden HK 發行及配發，而Uniden HK同意認購本公司股份 82,000,000股，總認購價為 143,500,000港元。新股份佔本公司經擴大已發行股本約20.01%。Uniden HK其後成為本公司之主要股東。於二零零七年一月二十六日，由於本公司供股後出現攤薄情況，Uniden HK所佔之股權下跌至 13.52%。

基於認購協議關係，於二零零六年七月十日，本公司亦與Uniden訂立生產總協議及商業聯盟協議，由Uniden之集團公司根據本集團提供之規格生產及供應電訊裝置產品。

年內，本集團向Uniden之集團公司購買製成品。根據上市規則第十四A章，該等交易乃被視為關連交易。有關交易之詳情於綜合財務報表附註38內披露。獨立非執行董事確認該等交易乃在本集團之日常業務中進行。

於二零零七年三月十七日，經考慮自本公司與Uniden開始業務關係以來就商業聯盟協議及生產總協議及尤其是Uniden違反該等協議而言之所有情況，鑑於Uniden不履行合約，董事會決定行使其終止商業聯盟協議及生產總協議之權利，並即時生效，而此舉符合本公司之最佳利益。因此，於二零零七年三月十九日，本公司向Uniden送達終止該等協議之通知書。董事打算本公司將在恰當時間根據法院規則（仍未發生），在Uniden HK於二零零七年二月一日向本公司發出傳令提出之訴訟中，向Uniden及／或Uniden HK提出反索償。獨立非執行董事確認，彼等相信上述終止協議及反索償建議符合本公司之最佳利益。於二零零七年二月六日及二零零七年三月二十日已就訴訟及終止協議發出公佈。

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, 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 which are set out in note 30 to the consolidated financial statements.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

## SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

## POST BALANCE SHEET EVENT

Details of a significant event occurring after the balance sheet date are set out in note 37 to the consolidated financial statements.

## AUDITOR

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

On behalf of the Board

**Peter Francis AMOUR**

CHAIRMAN

24 April 2007

## 薪酬政策

本集團之僱員薪酬政策由薪酬委員會按僱員之表現、資格及能力而訂立。

本公司之董事酬金由薪酬委員會參照本公司之經營業績、個別表現及可供比較之市場統計數字釐定。

本公司已採納購股權計劃作為對董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註30。

## 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年內概無購買、出售或贖回本公司任何上市證券。

## 公眾持股量之足夠性

於截至二零零六年十二月三十一日止整個年度，本公司皆維持足夠之公眾持股量。

## 結算日後事項

於結算日後發生之一件重要事項詳情載於綜合財務報表附註37。

## 核數師

於即將舉行之股東週年大會上將提呈一項決議案，重新委聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

區沛達

主席

二零零七年四月二十四日