

▶▶ Directors' Report 董事會報告書

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal Activities

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of liquid crystal display products and electronic consumer products including MP3 players, calculators, pagers and electronic components.

Results and Appropriations

The results of the Group for the year ended 31 December 2004 are set out in the consolidated income statement on page 45.

An interim dividend of 17 HK cents per share, amounting to HK\$76,762,000, was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of 23 HK cents per share to the shareholders of the Company whose names appear on the register of members on 9 May 2005, amounting to HK\$103,889,000, and the retention of the remaining profit of HK\$345,850,000 for the year.

Share Capital

Details of movements during the year in the authorised share capital and the issued share capital of the Company are set out in note 26 to the financial statements.

Property, Plant and Equipment

During the year, the Group acquired plant and machinery amounting to HK\$164,681,000 and properties under development amounting to HK\$5,737,000 for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province in the People's Republic of China.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

董事會謹此提呈截至二零零四年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為一家投資控股公司，其附屬公司主要從事製造及銷售液晶體顯示器產品及各類電子消費產品，包括 MP3 播放機、計算機、傳呼機及電子元件。

業績及溢利分配

截至二零零四年十二月三十一日止年度的本集團業績載列於第45頁的綜合收益表內。

本公司已於年內向股東支付中期股息每股17港仙，合共76,762,000港元。

董事建議向二零零五年五月九日名列本公司股東名冊的股東派發末期股息每股23港仙，總額約103,889,000港元，並且保留本年度餘下溢利345,850,000港元。

股本

本公司之法定股本及已發行股本於年內之變動詳情載於財務報表附註第26項。

物業、廠房及設備

年內，本集團就擴充中華人民共和國廣東省汕尾市之生產力而添置總值約164,681,000港元之廠房及設備，以及總值約5,737,000港元之發展中物業。

本集團年內之物業、廠房及設備之其他變動情況載於財務報表附註第13項。

Directors

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

Executive directors:

Lam Wai Wah, Steven
Wong Pong Chun, James
Cheung Tat Sang, James
Li Jian Hua

Independent non-executive directors:

Chung Kam Kwong (re-designated from non-executive director on 10 September 2004)
Ip Cho Ting, Spencer
Heung Kai Sing

In accordance with Articles 100 and 120 of the Company's Articles of Association, Lam Wai Wah, Steven and Ip Cho Ting, Spencer retire and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

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.

董事

年內及截至本報告書之日期止，董事名單如下：

執行董事：

林偉華
黃邦俊
張達生
李建華

獨立非執行董事：

鍾錦光 (於二零零四年九月十日由非執行董事調職)
葉祖亭
香啟誠

依據本公司組織章程細則第100條及第120條之規定，林偉華先生與葉祖亭先生行將告退，惟表示願意膺選連任。

獨立非執行董事須按上述細則輪值告退。

擬於即將舉行之股東週年大會膺選連任之董事概無與本公司或其附屬公司訂立任何本集團不得於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事之合約權益

本公司或其任何附屬公司，概無訂立任何本公司董事直接或間接擁有重大權益，並且於本年底或年內任何時間仍然生效之重大合約。

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Directors' Interests in Shares and Underlying Shares

At 31 December 2004, 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, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) Ordinary shares of HK\$0.1 each of the Company

Name of director 董事姓名	Capacity 身分	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已 發行股本百分比
			%
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	199,548,000	44.18
	Held by spouse (note 1) 由配偶持有 (附註1)	12,100,000	2.68
		211,648,000	46.86
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	180,000	0.04
	Held by spouse (note 2) 由配偶持有 (附註2)	100,000	0.02
		280,000	0.06
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	773,000	0.17
Li Jian Hua 李建華	Beneficial owner 實益擁有人	539,000	0.12

董事之股份及相關股份權益

根據本公司遵照香港證券及期貨條例第352條所保存之登記冊所載，或根據《上市公司董事進行證券交易的標準守則》須知會本公司及香港聯合交易所有限公司，於二零零四年十二月三十一日，董事及其聯繫人擁有之本公司股份及相關股份權益如下：

好倉

(a) 本公司每股面值0.1港元之普通股

(b) Share options**(b) 購股權**

Name of director 董事姓名	Capacity 身分	Number of options held 所持之購股權數目	Number of underlying shares 相關股份數目
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	6,900,000	6,900,000
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	5,670,000	5,670,000
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	10,600,000	10,600,000
Li Jian Hua 李建華	Beneficial owner 實益擁有人	4,400,000	4,400,000
	Held by spouse (note 3) 由配偶持有 (附註3)	4,400,000	4,400,000
		31,970,000	31,970,000

Notes:

1. Lam Wai Wah, Steven is deemed to be interested in 12,100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
2. Wong Pong Chun, James is deemed to be interested in 100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
3. Li Jian Hua is deemed to be interested in 4,400,000 share options of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

附註：

1. 林偉華被視為擁有12,100,000股由其配偶鍾琮綺實益擁有之本公司普通股權益。
2. 黃邦俊視為擁有100,000股由其配偶黎清梅實益擁有之本公司普通股權益。
3. 李建華被視為擁有4,400,000份由其配偶郭玉燕實益擁有之本公司購股權權益。

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2004.

除上文所披露者外，於二零零四年十二月三十一日，各董事或其聯繫人概無擁有本公司或其任何相聯法團之任何股份及相關股份權益或淡倉。

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Share Options

Particulars of the Company's share option schemes are set out in note 31 to the financial statements.

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

	Option type 購股權類別	Number of options outstanding at beginning of year 於年初尚未行使購股權數目	Granted during year 年內授出	Exercised during year 年內行使	Number of options outstanding at end of year 於年終之未行使購股權數目
Category 1: Directors 第一類別：董事					
Lam Wai Wah, Steven 林偉華	2001	6,900,000	—	—	6,900,000
Wong Pong Chun, James 黃邦俊	2001	6,900,000	—	(5,630,000)	1,270,000
	2003	—	4,400,000	—	4,400,000
Cheung Tat Sang, James 張達生	2001	6,900,000	—	(700,000)	6,200,000
	2003	—	4,400,000	—	4,400,000
Li Jian Hua (Note) 李建華 (附註)	2001	400,000	—	(400,000)	—
	2003	—	8,800,000	—	8,800,000
		21,100,000	17,600,000	(6,730,000)	31,970,000

Note: Li Jian Hua is deemed to be interested in 4,400,000 2003 share options, being the interests held beneficially by his spouse, Guo Yu Yan.

Category 2: Substantial shareholder

Other than the share options held by Lam Wai Wah, Steven as disclosed above, no share option has been granted to other substantial shareholders.

購股權

有關本公司購股權計劃之詳情載於財務報表附註第31項。

本公司之購股權於年內之變動如下：

附註：李建華被視為擁有4,400,000份由其配偶郭玉燕實益擁有之二零零三年購股權權益。

第二類別：主要股東

除上文所披露由林偉華持有之購股權外，本公司概無向其他主要股東授予購股權。

	Option type 購股權 類別	Number of options outstanding at beginning of year 於年初尚未行使 購股權數目	Granted during year 年內授出	Exercised during year 年內行使	Number of options outstanding at end of year 於年終之未行使 購股權數目
Category 3: Employees	2001	6,900,000	—	(700,000)	6,200,000
第三類別：僱員	2003	—	26,400,000	—	26,400,000
		6,900,000	26,400,000	(700,000)	32,600,000

The closing price of the Company's shares immediately before 26 February 2004, the date of grant of the 2003 options, was HK\$10.9.

本公司股份於緊接二零零四年二月二十六日(二零零三年購股權授出日期)前之收市價為10.9港元。

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$9.78.

本公司股份於緊接購股權獲行使日期前之加權平均收市價為9.78港元。

The fair value of the options granted in the current year measured at the date of grant on 26 February 2004 was HK\$0.09 per option. The following significant assumptions were used to derive the fair value using the Black-Scholes options pricing model:

本年度授出之購股權於授出日期二零零四年二月二十六日之公平價值為每購股權0.09港元。以下為根據柏力克-舒爾斯購股權定價模式計算公平價值時之重要假設：

Expected life of options	4.5 years	購股權預計年期	4.5年
Expected volatility based on historical volatility of share prices	10%	按以往股價波動幅度 預計波動幅度	10%
Expected annual dividend yield	4.97%	預計年度股息	4.97%
Hong Kong Exchange Fund Notes rate	2.12%	香港外匯基金票據利率	2.12%

For the purposes of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited, based on historical data.

就計算公平價值而言，根據以往數據，並無對預期沒收之購股權方面作出調整。

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The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

Arrangement to Acquire Shares or Debentures

Other than the share option schemes 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.

Substantial Shareholders

As at 31 December 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, Steven, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

柏力克一舒爾斯購股權定價模式必須引用高度主觀之假設，包括股價預期波幅。由於所引用之主觀假設對公平價值之估計有重大影響，故此董事認為，現有模式並不一定為可靠地估計購股權之公平價值的唯一方法。

購買股份或債券之安排

除上述披露之購股權計劃外，本公司或其任何附屬公司於年內並無參予任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東

除上文所披露有關林偉華擁有之權益外，根據本公司遵照證券及期貨條例第336條所保存之主要股東登記冊所披露，截至二零零四年十二月三十一日，下列股東已知會本公司其於本公司之已發行股本中擁有之有關權益。

Long positions**好倉**

Ordinary shares of HK\$0.1 each of the Company

本公司每股面值0.1港元之普通股

Name of shareholder 股東姓名	Capacity 身分	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已 發行股本百分比
			%
Chan Kin Sun (<i>note 1</i>) 陳建新 (附註1)	Beneficial owner 實益擁有人	28,900,000	6.40
	Held by spouse 由配偶持有	9,856,000	2.18
		38,756,000	8.58
Chan Lai Lan 陳麗蘭	Beneficial owner 實益擁有人	35,096,000	7.77
Cheah Cheng Hye (<i>note 2</i>) 謝清海 (附註2)	Held by controlled corporation 由受控制企業持有	27,164,000	6.01

Notes:

- Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 38,756,000 shares of the Company.
- Cheah Cheng Hye beneficially owns 31.82% of the issued share capital of Value Partners Limited.

附註:

- 陳建新及其配偶鄭群英被視為擁有本公司38,756,000股股份權益。
- 謝清海實益擁有 Value Partners Limited 已發行股本 31.82%。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2004.

除上文所披露者外，截至二零零四年十二月三十一日，本公司並未獲悉任何其他本公司已發行股本之有關權益或淡倉。

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Emolument Policy

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

The emoluments of the directors of the Company are decided by the Board of Directors, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to directors and eligible employees, details of the schemes are set out in note 31 to the financial statements.

Pre-emptive Rights

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

Purchases, Sales or Redemption of Listed Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

Corporate Governance

The Company has complied throughout the year ended 31 December 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

薪酬政策

本集團僱員之薪酬政策乃由董事會按僱員之貢獻、資歷及能力釐定。

本公司董事之酬金乃由董事會經考慮本公司之經營業績、個人表現及可資比較市場統計數據釐定。

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。有關計劃詳情載於財務報表附註第31項。

優先購買權

本公司之公司組織章程細則或開曼群島法例均無關於優先購買權之規定。本公司無須按此規定而按現有股東之持股比例發行新股。

購回、出售或贖回上市證券

本年度內，本公司或其任何附屬公司概無購回、出售或贖回本公司之上市證券。

企業監管

本公司在截至二零零四年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之最佳應用守則各條文。

本公司已採納有關董事進行證券交易之行為守則，其條款與上市規則附錄十（「標準守則」）所規定之標準同等嚴謹。經向所有董事作出具體查詢後，董事確認，彼等均已遵守標準守則所規定之標準及本公司就董事進行證券交易而採納之行為守則。

The Group 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.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 December 2004.

Donations

During the year, the Group made charitable and other donations amounting to HK\$8,276,000.

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

LAM WAI WAH, STEVEN
CHAIRMAN

Hong Kong, 30 March 2005

本集團已根據上市規則第3.13條接獲各獨立非執行董事分別發出有關其獨立性的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

公眾持股量充裕程度

本公司於截至二零零四年十二月三十一日止年度內一直維持足夠的公眾持股量。

捐款

於年內，本集團捐出為數8,276,000港元之慈善及其他捐款。

核數師

在本公司之股東週年大會上將提呈一項決議案，以重新委聘德勤•關黃陳方會計師行連任本公司核數師之職。

承董事會命

主席
林偉華

香港，二零零五年三月三十日