

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group's turnover and operating profit were derived principally from the design, manufacture and sales of toys.

SEGMENT INFORMATION

An analysis of the Group's turnover by products and geographical location is set out in note 4 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2004 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 26 to 79.

During the year, the Company paid an interim dividend of Hong Kong 3 cents per share, totalled approximately HK\$11,151,000, to shareholders. The directors recommend the payment of a final dividend of Hong Kong 7 cents per share in respect of the year ended 31st December 2004.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 22 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased a total of 100,000 of its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Details of the repurchases are set out in note 22 to the financial statements.

董事會全寅欣然提呈截至二零零四年十二月三十一日止年度之報告書連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團營業額及經營業績主要來自設計、製造及銷售玩具。

分部資料

按產品及地區分析本集團營業額詳見於財務報表附註4。

業績及分配

本集團截至二零零四年十二月三十一日止年度業績及本公司與本集團於該日之財務狀況載於財務報表第26頁至第79頁。

年內，本公司派發中期股息每股3港仙，合共約11,151,000港元予股東。董事會建議就截至二零零四年十二月三十一日止年度派發末期股息每股7港仙。

股本

本公司之股本在年內期間之變動情況詳情載於財務報表附註22。

購買、出售或贖回上市證券

於本年度內，本公司在香港聯合交易所有限公司（「聯交所」）購回合共100,000股本公司之股份。購回之資料載於財務報表附註22。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES *(Continued)*

Except as aforementioned, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year.

SHARE OPTION SCHEME

The Company's Share Option Scheme (the "Scheme") was adopted pursuant to a resolution passed on 21st December 1995 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 20th December 2005. Under the Scheme, the board of directors of the Company may offer to any directors (excluding non-executive directors) or full time employees of the Company, or any of its subsidiaries, options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares or 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of the grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time unless separate approval by the shareholders in general meeting is obtained. No consideration is payable on the grant of any option.

Options granted must be taken up within 21 days from the date of the offer at no consideration on acceptance. An option may be exercised as specified by the directors, which shall not be more than a certain period from the date of grant.

On 2nd January 2002, option for 5,100,000 shares (the "2002" share options) of which 100,000 had lapsed were granted at no consideration to certain eligible employees, including directors of the Company, under the Scheme which are exercisable during the period from 1st January 2004 to 31st December 2013 at the price of HK\$1.10 per share.

購買、出售或贖回上市證券 (續)

除以上所述者外，於本年內本公司及附屬公司概無購買、出售或贖回本公司任何證券。

購股權計劃

為獎勵董事及合資格僱員，本公司根據於一九九五年十二月二十一日通過之決議案採納購股權計劃（「該計劃」），而該計劃將於二零零五年十二月二十日屆滿。根據該計劃，本公司董事會可向本公司或其附屬公司之任何董事（非執行董事除外）或全職僱員授出購股權，以按相等於股份面值或股份於授出購股權當日前五個交易日在聯交所之平均收市價之百分之八十（以較高者為準）之價格認購不超過本公司當時已發行股本百分之十之本公司股份。除非取得股東於股東大會上之另行批准，任何個別人士於任何一年內獲授之購股權所涉及之股份數目，不得超過本公司當時已發行股份之百分之一。獲授購股權毋須支付任何代價。

授予之購股權須於購股權通知發出21日內以無償方式接納。根據董事指定，購股權可於授予日起計不超過指定期間內行使。

於二零零二年一月二日，本公司根據該計劃以無償方式向若干董事及本集團僱員授予可認購合共5,100,000股本公司股份之購股權（「二零零二購股權」），其中100,000已註銷，而該等購股權可於二零零四年一月一日至二零一三年十二月三十一日期間按每股1.10港元之價格行使。

SHARE OPTION SCHEME (Continued)

The closing price of the Company's shares immediately before 2nd January 2002, the date of grant of the 2002 share options, was HK\$1.30. During the year, the Company issued a total of 4,400,000 ordinary shares of HK0.1 each at an issue price of HK\$1.1 per share pursuant to the exercise of the share options previously granted to directors and eligible employee. The market price of the Company's shares at the close of business on the date of issue was in the range of HK\$2.25 to HK\$2.525.

Pursuant to Chapter 17 of the Listing Rules, the Stock Exchange allowed the 2002 share options to be granted under the existing share option scheme, but no further options would be granted on the terms stipulated under the Scheme.

The following table discloses details of the number of options outstanding under the Company's Scheme and movements during the year:

購股權計劃 (續)

股份於二零零二年一月二日授予二零零二購股權當天在聯交所之收市價為每股1.30港元。於本年內，本公司以發行價每股1.1港元發行4,400,000股每股面值0.1港元之普通股根據行使以往授予董事及合資格僱員之購股權。本公司股份於發行日之收市價為每股2.25至2.525港元。

根據上市規則第17章之指引，聯交所批准本公司之二零零二購股權可使用現有之購股權計劃授予該批購股權，但再不能根據計劃規定之條款授予其他購股權。

以下表格詳細列出根據本公司之該計劃，於本年內未行使之購股權及變動：

	Note 附註	Outstanding at beginning of the year 年初 未行使	Granted during the year 年內 授予	Exercised during the year 年內 行使	Outstanding at end of the year 年末 未行使
Directors					
董事					
Mr. Yip Yun Kuen 葉潤權先生		300,000	—	(300,000)	—
Mr. Chan Shun Po 陳順寶先生		300,000	—	—	300,000
Mr. Yip Yun Tim 葉潤添先生		300,000	—	—	300,000
Mr. Chan Hon Biu, Alvin 陳漢彪先生	1	200,000	—	(200,000)	—
Mr. Shiu Chun Yuen 邵鎮源先生	1	200,000	—	(200,000)	—
Total Directors 董事合共		1,300,000	—	(700,000)	600,000
Employees 僱員		3,700,000	—	(3,700,000)	—
Total 合共		5,000,000	—	(4,400,000)	600,000

SHARE OPTION SCHEME (Continued)

Note:

1. Mr. Chan Hon Biu, Alvin and Mr. Shiu Chun Yuen have resigned as the directors of the Company with effect from 30th June 2004 and 1st January 2005 respectively.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 23 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws although there is no statutory restriction against such rights under the laws in Bermuda.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 13 and 14 to the financial statements respectively.

BORROWINGS AND INTEREST CAPITALISED

The Group had no borrowings outstanding at the balance sheet date. No interest was capitalised by the Group during the year.

CHARITABLE DONATIONS

During the year, the Group made charitable donations which amounted to HK\$50,000.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st December 2004 are set out in note 15 to the financial statements.

購股權計劃 (續)

附註：

1. 陳漢彪先生及邵鎮源先生分別於二零零四年六月三十日及二零零五年一月一日辭任為本公司董事。

儲備

本集團及本公司之儲備於年內之變動情況載於財務報表附註23。

優先購買權

百慕達法例對優先購買權雖無限制，惟本公司之組織章程細則並無此等有關權利之規定。

物業、廠房及設備及投資物業

於本年度內本集團之物業、廠房及設備及投資物業之變動明細分別載於財務報表附註13及14。

借貸及資本化利息

本集團於結算日並無借貸結欠。本集團於本年度內並無將利息作資本化。

慈善捐款

本集團於年內作出之慈善捐款為50,000港元。

主要附屬公司

於二零零四年十二月三十一日，本公司主要附屬公司之詳情載於財務報表附註15。

FINANCIAL SUMMARY

A five year financial summary is shown on page 80.

DIRECTORS

The directors of the Company during the financial year 2004 and up to the date of this report were:

Mr. Yip Yun Kuen
Mr. Yip Yun Tim
Mr. Chan Shun Po
Mr. Chan Hon Biu, Alvin (resigned on 30th June 2004)
Mr. Shiu Chun Yuen (resigned on 1st January 2005)
Ms. Chan Pik Ha*
Mr. Xin Shu Lin*
Mr. Yeung Wai Kin, Steve*
Mr. Man Mo Leung#
Mr. Yap Alfred Donald, J.P.#
Ms. Lau Ki Cho, Iris# (appointed on 30th September 2004)

* Non-executive directors

Independent non-executive directors

In accordance with the Company's bye-laws, Mr. Man Mo Leung, Ms. Lau Ki Cho, Iris and Mr. Xin Shu Lin, Steve shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

財務概要

五年財務概要載於第80頁。

董事

二零零四年財政年度及直至本報告日期之本公司董事如下：

葉潤權先生
葉潤添先生
陳順寶先生
陳漢彪先生(於二零零四年六月三十日辭任)
邵鎮源先生(於二零零五年一月一日辭任)
陳碧夏女士*
辛樹林先生*
楊偉堅先生*
文暮良先生#
葉天養太平紳士#
劉紀初小姐#(於二零零四年九月三十日委任)

* 非執行董事

獨立非執行董事

根據本公司之組織章程細則，文暮良先生、劉紀初小姐及辛樹林先生於即將舉行之股東週年大會上退任，惟彼等合資格並願意膺選連任。

本公司已接獲各獨立非執行董事有關其獨立於本公司的年度確認，並認為各獨立非執行董事均獨立於本公司。

REPORT OF THE DIRECTORS

董事會報告

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RBI HOLDINGS LIMITED 紅發集團有限公司

ANNUAL REPORT 2004 二零零四年年報

DIRECTORS' INTEREST IN SHARES

The beneficial interests of the directors of the Company and their associates in the shares of the Company and its associated corporations at 31st December 2004 within the meaning of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained under Section 352 of the SFO, and their interests in the share options of the Company at that date, are as follows:

Long Position in Shares and Underlying Shares of the Company

Name of directors 董事姓名	Note 附註	Personal interest 個人權益	Family interest 家屬權益	Interest of controlled corporation 所控制法團權益	Number of underlying shares under derivatives equity (share option) 根據衍生工具所有的相關股份(購股權)	Total interests 合共權益	Percentage of issued share capital 佔發行股本百分比 (%)
Mr. Yip Yun Kuen 葉潤權先生	1	30,864,600	6,435,000	133,925,220	—	171,224,820	46.06
Ms. Chan Pik Ha 陳碧夏女士	1	6,435,000	30,864,600	133,925,220	—	171,224,820	46.06
Mr. Chan Shu Po 陳順寶先生		4,720,320	—	—	300,000	5,020,320	1.35
Mr. Yip Yun Tim 葉潤添先生		400,000	—	—	300,000	700,000	0.19
Mr. Shiu Chun Yuen 邵鎮源先生	2	3,500,000	110,000	—	—	3,610,000	0.97
Mr. Man Mo Leung 文暮良先生		182,000	—	—	—	182,000	0.05

Notes:

- Ms. Chan Pik Ha is the spouse of Mr. Yip Yun Kuen and jointly controlled the corporate interest of 133,925,220 ordinary shares of the Company through Extrad Assets Limited.
- Mr. Shiu Chun Yuen has resigned as director of the Company with effect from 1st January 2005.
- The interests of the directors in the share options of the Company are detailed in the Share Options Scheme section stated above.

董事之股份權益

於二零零四年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條規定存置之登記名冊內記載之董事，及彼等之聯繫人士於本公司及其相聯公司之實際權益，及本公司之購股權於當日之權益如下：

持有本公司的好倉股份及相關股份

Name of directors 董事姓名	Note 附註	Personal interest 個人權益	Family interest 家屬權益	Interest of controlled corporation 所控制法團權益	Number of underlying shares under derivatives equity (share option) 根據衍生工具所有的相關股份(購股權)	Total interests 合共權益	Percentage of issued share capital 佔發行股本百分比 (%)
Mr. Yip Yun Kuen 葉潤權先生	1	30,864,600	6,435,000	133,925,220	—	171,224,820	46.06
Ms. Chan Pik Ha 陳碧夏女士	1	6,435,000	30,864,600	133,925,220	—	171,224,820	46.06
Mr. Chan Shu Po 陳順寶先生		4,720,320	—	—	300,000	5,020,320	1.35
Mr. Yip Yun Tim 葉潤添先生		400,000	—	—	300,000	700,000	0.19
Mr. Shiu Chun Yuen 邵鎮源先生	2	3,500,000	110,000	—	—	3,610,000	0.97
Mr. Man Mo Leung 文暮良先生		182,000	—	—	—	182,000	0.05

附註：

- 葉潤權先生及其配偶陳碧夏女士，通過 Extrad Assets Limited，共同擁有公司 133,925,220 股普通股。
- 邵鎮源先生於二零零五年一月一日辭任為本公司董事。
- 有關董事持有購股權的權益，詳細載於以上「購股權計劃」部份。

DIRECTORS' INTEREST IN SHARES *(Continued)*

Save as disclosed above, the Company has not be notified by any person who had interests or short positions in the shares or underlying shares of the Company.

Save as disclosed above and for shares in certain subsidiaries held by directors in trust for their immediate holding companies, at 31st December 2004, none of the directors and chief executive of the Company, or any of their associates, had any interests in the equity or debt securities of the Company or any of its associated corporations as defined in the SFO Ordinance, and none of the directors and chief executives of the Company, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

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.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the Share Options Scheme section stated 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.

董事之股份權益 (續)

除上文所披露者外，本公司概無知悉任何人士在本公司或任何相聯法團的股份擁有權益或淡倉。

除上文所披露者以及董事以信託形式代若干附屬公司之直接控股公司所持有該等附屬公司之股份外，本公司各董事及主要行政總裁，或其聯繫人士，概無於二零零四年十二月三十日在本公司或其任何相聯公司(根據證券及期貨條例之定義)之股本或債務證券中擁有權益。同樣，並無本公司任何董事及主要行政總裁，或其配偶或未滿十八歲子女，擁有任何認購本公司證券之權利或於期內已行使任何該等權利。

董事於重大合約利益

於本年度結算日或年內，本公司或其任何附屬公司概無訂立與本公司董事直接或間接地擁有重大利益之重要合約。

購買股份或債券之安排

除上文「購股權計劃」部份披露外，於年內任何時間本公司或其任何附屬公司並無參與訂立任何其他安排，致使本公司董事可因購買本公司或任何其他法人團體之股份或債券而獲取利益。

MANAGEMENT AND SERVICE CONTRACTS

No contracts of significance concerning the management or administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

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 by the employing company within one year without the payment of compensation (other than statutory compensation).

RETIREMENT SCHEMES

Details of the Group's retirement scheme are shown in note 25 to the financial statements.

The Group's retirement scheme contributions charged to the income statement for the year amounted to approximately HK\$2,486,000.

管理及服務合約

年內並無訂立或存在有關本公司全部或任何主要部份業務之重大管理或行政合約。

獲提名在即將舉行之股東週年大會重選之董事與本公司或其任何附屬公司概無訂立須作補償(法定賠償除外)方可於一年內終止之服務合約。

退休金計劃

本集團的退休金計劃詳見財務報表附註25。

年內，本集團退休金計劃供款於收益表中計入約為2,486,000港元。

SUBSTANTIAL SHAREHOLDERS

At 31st December 2004, the following shareholders were interest in 5 per cent or more of the issued share capital of the Company according to the register of interest required to be kept by the Company under section 336 of the SFO:

主要股東

於二零零四年十二月三十一日，根據證券及期貨條例第336條規定之登記名冊上，持有本公司已發行股本5%或以上權益之股東記錄如下：

Long Positions in the Shares of the Company

持有本公司的好倉股份

Name of shareholder 股東名稱	Note 附註	Capacity 權益性質	Number of shares 股份數目	Percentage of issued share capital 佔已 發行股本 百分比 (%)
Mr. Yip Yun Kuen 葉潤權先生	1	Beneficial owner (30,864,600) Family interest (6,435,000) Interest of controlled corporation (133,925,220) 實益擁有人(30,864,000) 家屬利益(6,435,000) 所控制法團的權益(133,925,220)	171,224,820	46.06
Ms. Chan Pik Ha 陳碧夏女士	1	Beneficial owner (6,435,000) Family interest (30,864,600) Interest of controlled corporation (133,925,220) 實益擁有人(6,435,000) 家屬利益(30,864,000) 所控制法團的權益(133,925,220)	171,224,820	46.06
Extrad Assets Limited	1	Beneficial owner 實益擁有人	133,925,220	36.03
Walbeck International Limited	2	Beneficial owner 實益擁有人	74,062,352	19.92
Arisaig Greater China Fund	3	Beneficial owner 實益擁有人	20,564,000	5.53

SUBSTANTIAL SHAREHOLDERS (Continued)

Long Positions in the Shares of the Company (Continued)

Notes:

1. Extrad Assets Limited is a company owned by Mr. Yip Yun Kuen and his spouse Ms. Chan Pik Ha.
2. Walbeck International Limited is a subsidiary of First Shanghai Investments Limited, a company listed on the Stock Exchange.
3. Arisaig Greater China Fund through its investment manager Arisaig Partner (Mauritius) Limited owns 20,564,000 shares of the Company

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital or short positions in the share or underlying shares of the Company as at 31st December 2004.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the Code of Best Practice set out in Appendix 14 of the Listing Rules in force prior to 1st January 2005 throughout the accounting year.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company had adopted its code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code as then in force, and after having made specific enquiry to all directors of the Company, the directors of the Company are satisfied that the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions has been fully complied with.

主要股東 (續)

持有本公司的好倉股份 (續)

附註：

1. Extrad Assets Limited為葉潤權先生及陳碧夏女士共同擁有之公司。
2. Walbeck International Limited為在聯交所上市之第一上海投資有限公司之附屬公司。
3. Arisaig Greater China Fund透過其投資經理 Arisaig Partner (Mauritius) Limited擁有本公司20,564,000股股票。

除以上披露外，本公司未獲通知任何於二零零四年十二月三十一日期間擁有本公司發行股本5%或以上之權益或淡倉。

公司管治

董事認為，本公司於年內一直遵守上市規則附錄十四(指於二零零五年一月一日期間沿用之規則)所載之最佳應用守則。

董事進行公司證券交易守則

本公司已就董事的證券交易活動自行採納一套不低於標準守則所訂標準的行為守則(「行為守則」)，及經向所有本公司董事作出特定的查詢後，所有本公司董事均滿意各董事已遵守「標準守則」及「行為守則」中所要求的標準。

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors and one non-executive director of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and with the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDITORS

The financial statements of the Company for the preceding three years were audited by Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the board

Yip Yun Kuen
Chairman

Hong Kong, 13th April 2005

審核委員會

本公司已按照上市規則第3.21條成立審核委員會，負責審閱並監督本公司之財務申報及內部監控。審核委員會成員包括本公司三名獨立非執行董事及一名非執行董事。

公眾持股

根據本公司所擁有之公眾資料並就董事所知悉，於本報告日期，本公司已發行股份之公眾持股為上市規則所規定的不少於25%。

核數師

本公司最近三年之財務報表經德勤•關黃陳方會計師行審核。即將舉行之股東週年大會上將提呈一項決議案以續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席
葉潤權

香港，二零零五年四月十三日