



雲南僑通包裝印刷有限公司昆明分公司鳥瞰圖
Bird's eye view of Yunnan Qiaotong Package Printing Co., Ltd. Kunming Branch

本集團將於二零零五年建立
研發中心，進一步提高設計
新產品及先進防偽技術之能力。

The Group's R&D centre will be
set up in 2005 to further
enhance capabilities in
designing new products and
advanced anti-counterfeit
techniques.

董事會欣然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賬目。

主要業務

本公司為一間投資控股公司。其附屬公司及聯營公司之主要業務分別載於本賬目附註36及15。

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之業績載於年報第36頁之綜合收益表及隨附之賬目之附註內。

每股1.5港仙之中期股息為數4,015,000港元已於年內派付予股東。董事會現建議向於二零零五年五月十三日名列本公司股東登記冊之股東派付為數合共約17,400,000港元每股3.5港仙之末期股息及每股3.0港仙之特別股息，而剩餘溢利19,524,000港元則予以保留。

物業、機器及設備

若干本集團之物業、機器及設備於二零零四年十二月三十一日重新估值。重估該等資產導致較賬面值出現盈餘為數14,632,000港元（已扣除少數股東權益），已直接計入資產重估儲備。

本集團在年內繼續擴充及提升其用於印刷及製造包裝產品之設備。有關該等擴充及變動及本集團物業、機器及設備於年內之其他變動詳情載於本賬目附註13。

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st December, 2004.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries and associate are set out in notes 36 and 15 to the financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2004 are set out in the consolidated income statement on page 36 of the annual report and in the accompanying notes to the financial statements.

An interim dividend of HK1.5 cents per share amounting to HK\$4,015,000 was paid to the shareholders during the year. The Directors now recommend a final dividend of HK3.5 cents per share and a special dividend of HK3.0 cents per share to shareholders on the register of members on 13th May, 2005, amounting to approximately HK\$17,400,000 in aggregate and retention of the remaining profit of HK\$19,524,000.

PROPERTY, PLANT AND EQUIPMENT

Certain of the Group's property, plant and equipment were revalued as at 31st December, 2004. The revaluation resulted in a surplus over book values amounting to HK\$14,632,000 net of minority interests, which has been credited directly to the asset revaluation reserve.

During the year, the Group continued to expand and upgrade its facilities for printing and manufacturing of packaging products. 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.



業績、資產及負債

下表概述本集團截至二零零四年十二月三十一日止五個年度之綜合業績、資產及負債。

RESULTS, ASSETS AND LIABILITIES

The following table summarises the consolidated results, assets and liabilities of the Group for the five years ended 31st December, 2004.

		(已重列) (Restated)	(已重列) (Restated)	(已重列) (Restated)		
		二零零四年 2004	二零零三年 2003	二零零二年 2002	二零零一年 2001	
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
股東應佔溢利	Profit attributable to shareholders	40,939	35,260	34,360	31,569	30,294
總資產	Total assets	981,223	733,971	790,197	698,219	611,248
總負債	Total liabilities	(502,248)	(312,305)	(393,866)	(329,461)	(273,660)
少數股東權益	Minority interests	(172,851)	(155,273)	(143,547)	(129,076)	(116,242)
資產淨值	Net assets	306,124	266,393	252,784	239,682	221,346

附註：

以往年度之數字已調整，以反映因採納香港會計師公會所頒佈之會計實務準則第12號（經修訂）「所得稅」而引致會計政策之變動情況。

Note:

Prior years' figures have been adjusted to reflect the change in accounting policy for the adoption of Statement of Standard Accounting Practice No. 12 (Revised) "Income Taxes" issued by the Hong Kong Institute of Certified Public Accountants.

流動資金及財政資源

於二零零四年十二月三十一日，現金及銀行結餘為156,747,000港元（二零零三年：86,693,000港元）。計息之負債為346,837,000港元（二零零三年：221,041,000港元）。股東資金加少數股東權益為478,975,000港元（二零零三年：421,666,000港元）。淨資產負債比率（計息負債減現金／股東資金加少數股東權益）為39.7%（二零零三年：31.9%）。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2004, the cash and bank balances amounted to HK\$156,747,000 (2003: HK\$86,693,000). The interest bearing liabilities amounted to HK\$346,837,000 (2003: HK\$221,041,000). The shareholders' equity plus minority interests amounted to HK\$478,975,000 (2003: HK\$421,666,000). The net debt to equity ratio (interest bearing liabilities less cash/sharholders' equity plus minority interests) was 39.7% (2003: 31.9%).

股本及認股權證

年內，本公司認股權證之若干登記持有人行使彼等之權利，以認購本公司之普通股。

本公司之股本及認股權證於年內之變動詳情分別載於本賬目附註23及24。所有未行使之認股權證已於二零零四年六月三十日屆滿。

董事

以下乃年內及截至本報告日期為止之本公司董事會成員：

執行董事：

許經振先生 (主席)
丘少明先生
許檳榔先生
李春仁先生
周勁先生
王鳳舞先生

獨立非執行董事：

林炳昌先生
吳志揚先生
譚旭生先生 (於二零零四年
九月二十三日獲委任)

丘少明先生、李春仁先生及周勁先生將根據本公司之公司細則第87條之規定，在即將舉行之股東週年大會上依章告退，惟彼等已表示願意膺選連任。

SHARE CAPITAL AND WARRANTS

During the year, certain registered holders of warrants of the Company exercised their rights to subscribe for ordinary shares in the Company.

Details of movements during the year in the share capital and warrants of the Company are set out in notes 23 and 24 to the financial statements, respectively. All unexercised warrants expired on 30th June, 2004.

DIRECTORS

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

Executive directors:

Mr. Hui King Chun, Andrew (Chairman)
Mr. Yau Chau Min, Paul
Mr. Hui Bin Long
Mr. Li Chun Ren
Mr. Zhou Jin
Mr. Wang Feng Wu

Independent non-executive directors:

Mr. Lam Ping Cheung, Andrew
Mr. Ng Chi Yeung, Simon
Mr. Tam Yuk Sang, Sammy (appointed on
23rd September, 2004)

Messrs. Yau Chau Min, Paul, Li Chun Ren and Zhou Jin shall retire at the forthcoming annual general meeting in accordance with Article 87 of the Bye-Laws of the Company and, being eligible, offer themselves for re-election.



董事及高級管理人員之履歷

執行董事

許經振先生，54歲，本集團創辦人兼本公司主席及董事總經理。許先生負責本集團的整體管理及企業發展政策和策略，以及與中國多個不同的地方政府及有關當局協商。他在管理及製造方面積逾二十六年經驗，包括在印刷及包裝業的十二年經驗。許先生亦是毅力工業集團有限公司（一間於香港聯合交易所有限公司（「聯交所」）上市之公司）之執行董事。

丘少明先生，41歲，本集團總經理，負責處理日常業務運作及項目管理、製訂本集團的行政政策和市場推廣策略及全面管理本集團的銷售活動。他在國立台灣大學畢業並取得經濟學學士學位後，遠赴英國深造，並畢業於英國華威大學，獲工商管理碩士學位。丘先生曾任職於多間國際公司，在市場推廣及銷售、企業財務及管理方面積逾十六年經驗。他於一九九四年六月加盟本集團。

許檳榔先生，57歲，負責為本集團之印刷技術及應用進行研發；製訂及維持一個有效及高效率的印刷運作系統，並就產品種類及滲透市場提供意見。許先生在印刷業積逾二十六年經驗。他於一九九三年六月加盟本集團。

李春仁先生，72歲，乃一九九三年雲南僑通包裝印刷有限公司（「雲南僑通合資企業」）其中一位創建員工，曾為其副董事長。他在中國製造業方面有豐富經營及管理經驗。

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Executive directors

Mr. Hui King Chun, Andrew, aged 54, is the founder of the Group and chairman and managing director of the Company. Mr. Hui is responsible for the overall management and development of corporate policy and strategy of the Group, and the liaison with various local governments and authorities in the PRC. He has over 26 years' experience in management and manufacturing, including 12 years' experience in the printing and packaging business. Mr. Hui is also an executive director of Ngai Lik Industrial Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. Yau Chau Min, Paul, aged 41, is the general manager of the Group and is responsible for daily operations and project management, setting up administration policies, devising the Group's marketing strategy and overall management of the Group's sales activities. He holds a MBA degree from the University of Warwick in the United Kingdom after graduating from National Taiwan University with a Bachelor of Arts in Economics. Mr. Yau has had over 16 years' experience in marketing and sales, corporate finance and management with several multinational companies. He joined the Group in June 1994.

Mr. Hui Bin Long, aged 57, is responsible for the Group's R&D in printing technology and applications, establishing and maintaining an effective and efficient printing operation system and providing advice as to product variety and market penetration. Mr. Hui has over 26 years' experience in printing operations. He joined the Group in June 1993.

Mr. Li Chun Ren, aged 72, was one of the founding staff members of Yunnan Qiaotong Package Printing Co., Ltd. ("Yunnan Qiaotong JV") in 1993 and was its vice chairman. He has extensive operational and management experience in the PRC's manufacturing industry.

周勁先生，45歲，負責雲南僑通合資企業之整體管理，乃雲南僑通合資企業其中一位創建員工，現為雲南僑通合資企業總經理。周先生乃中國高級經濟師，於中國社會科學院研究所商貿經濟專業碩士研究生畢業。他在一九九三年三月加入本集團前，分別在中國雲南省一所大學及一間政府機關內從事學術及研究活動。

王鳳舞先生，50歲，負責哈爾濱高美印刷有限公司（「哈爾濱高美合資企業」）的整體管理，為哈爾濱高美合資企業的總經理。王先生為中國經濟師，畢業於中國北京印刷學院。一九九三年三月加盟本集團之前，他在中國印刷業積逾二十年生產及管理經驗。

獨立非執行董事

林炳昌先生，53歲，為香港合資格律師及香港林炳昌律師事務所之創辦人及獨立經營者。林先生亦是多間香港上市公司之獨立非執行董事，包括毅力工業集團有限公司、金源米業有限公司、互聯控股有限公司、恆盛東方控股有限公司、確利達包裝國際控股有限公司、合一投資控股有限公司、易盈科技控股有限公司及中國高速（集團）有限公司。他於一九九八年五月獲本公司委任。

吳志揚先生，48歲，為香港、英格蘭及威爾斯之合資格律師、新加坡註冊大律師、澳洲首都地區的大律師。吳先生乃鄒陳律師行之顧問，亦是兩間香港上市公司之獨立非執行董事，包括毅力工業集團有限公司及永發置業投資有限公司。吳先生持有英國 Manchester Metropolitan University 學士學位及持有中國法及比較法之法學碩士學位。吳先生為香港大學之兼職講師。他於一九九八年五月獲本公司委任。

Mr. Zhou Jin, aged 45, is responsible for the overall management of Yunnan Qiaotong JV. He was one of the founding staff members of Yunnan Qiaotong JV and is currently also its general manager. Mr. Zhou is a senior economist in the PRC and graduated from the Graduate School of Social Science College of the PRC with a major in business and economics. Prior to joining the Group in March 1993, he was engaged in academic and research activities with a university and a governmental bureau respectively in Yunnan Province, the PRC.

Mr. Wang Feng Wu, aged 50, is responsible for the overall management of Harbin Gaomei Printing Company Limited ("Harbin Gaomei JV"). He is the general manager of Harbin Gaomei JV. Mr. Wang is an economist in the PRC and a graduate of Beijing Printing College, the PRC. Prior to joining the Group in March 1993, he had over 20 years' experience in operation and management in the PRC's printing industry.

Independent non-executive directors

Mr. Lam Ping Cheung, Andrew, aged 53, is qualified as a solicitor in Hong Kong. He is the founder and sole proprietor of Messrs. Andrew Lam & Co., a law firm in Hong Kong. Mr. Lam is also an independent non-executive director of several public listed companies in Hong Kong including Ngai Lik Industrial Holdings Limited, Golden Resources Development International Limited, China United International Holdings Limited, Hansom Eastern (Holdings) Limited, Qualipak International Holdings Limited, Unity Investments Holdings Limited, Espco Technology Holdings Limited and China Velocity Group Limited. He was appointed by the Company in May 1998.

Mr. Ng Chi Yeung, Simon, aged 48, is qualified as a solicitor in Hong Kong, England and Wales, an advocate and solicitor in Singapore, and a barrister in the Australian Capital Territory. Mr. Ng is a consultant of Rowland Chow, Chan & Company, a law firm in Hong Kong. He is also an independent non-executive director of two other public listed companies in Hong Kong, namely, Ngai Lik Industrial Holdings Limited and Winfair Investment Company Limited. Mr. Ng holds a bachelor degree from the Manchester Metropolitan University in the United Kingdom and a master degree in Chinese and Comparative Law. Mr. Ng is a part-time lecturer teaching at The University of Hong Kong. He was appointed by the Company in May 1998.



譚旭生先生，41歲，畢業於香港理工大學，為英國特許公認會計師公會及香港會計師公會之資深會員。他目前為一家企業策略及管理顧問公司之合夥人。譚先生亦為兩間香港上市公司之獨立非執行董事，包括毅力工業集團有限公司及易盈科技控股有限公司。

顧問

馬宏泰先生，74歲，負責就雲南僑通合資企業及哈爾濱高美合資企業之業務運作進行實地研究，並為操作人員提供生產技巧及技術的培訓，以及為本集團未來發展方向提出有關產品組合之意見。馬先生在一九九三年六月加盟本集團之前，已經在中國印刷業之運作、技術訓練及管理方面積逾五十二年豐富經驗。他是中國之高級工程師。

高級管理人員

陳志毅先生，37歲，為本公司之財務總監及公司秘書，負責本集團之整體財務及公司秘書事宜。陳先生持有香港大學社會科學學士學位。他為現任香港會計師公會會員及英國公認會計師公會資深會員，亦為香港執業會計師。他於不同工商行業之審計、會計及公司財務方面積逾十四年經驗。他於二零零二年九月加盟本集團。

歐陽浩明先生，55歲，本集團印刷發展經理。他負責雲南僑通合資企業之柯式印刷實地研究，並為柯式印刷部門提供生產管理及技術的培訓，以及為本集團未來發展方向提出有關產品及設備組合之意見。在二零零二年七月加盟本集團之前，歐陽先生在印刷業積逾三十年經驗。

Mr. Tam Yuk Sang, Sammy, aged 41, graduated from Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is currently a partner of a corporate strategy and management advisory company. Mr. Tam is also an independent non-executive director of two other public listed companies in Hong Kong, namely, Ngai Lik Industrial Holdings Limited and Espco Technology Holdings Limited.

Consultant

Mr. Ma Hong Tai, aged 74, is responsible for field study of the operations of Yunnan Qiaotong JV and Harbin Gaomei JV, providing training for operations staff on production technique and workmanship and advising on the direction of the future development for the Group by giving an opinion on product combinations. Prior to joining the Group in June 1993, Mr. Ma had over 52 years' experience in operations, technical training and management in the PRC's printing industry. He is a senior engineer in the PRC.

Senior management

Mr. Chan Chi Ngai, John, aged 37, is the financial controller and company secretary of the Company and is responsible for the Group's overall financial and company secretarial matters. Mr. Chan holds a Bachelor Degree in Social Science from The University of Hong Kong. He is an associate member of the Hong Kong Society of Accountants and a fellow member of Association of Chartered Certified Accountants. He is also a Certified Public Accountant in Hong Kong. He has more than 14 year's experience in auditing, accounting and corporate finance matters in various commercial and industrial sectors. He joined the Group in September 2002.

Mr. Au Yeung Ho Ming, aged 55, is printing development manager of the Group. He is responsible for field study of offset printing operations of Yunnan Qiaotong JV, providing production management and technical training for the offset printing department, and advising on the direction of the future development for the Group by giving opinion on product and equipment combinations. Prior to joining the Group in July 2002, Mr. Au Yeung had over 30 years' experience in printing industry.

王金樂先生，58歲，本集團石油業務經理，負責本集團石油業務之運作事宜。王先生於二零零二年五月加盟本集團之前，曾任職一家大型跨國石油公司逾二十七年，負責全球燃油業務。

麥潔瑩女士，37歲，本集團助理項目經理。她負責協調本集團中國生產設備之運作及協助採購各項生產設備、零部件、配件及原材料。她於一九九三年三月加盟本集團。

張靖先生，45歲，受聘於雲南僑通合資企業開業時，現任其副總經理，負責其生產策劃及運作事宜。張先生結業於中國人民大學工商管理碩士研究生班。

李建平先生，47歲，自二零零一年三月受聘為雲南僑通合資企業副總經理。李先生在中國香煙製造業之生產管理方面積逾十八年經驗。

陶飛虎先生，51歲，自二零零一年七月受聘為雲南僑通合資企業副總經理，負責銷售及市場推廣活動，乃雲南僑通合資企業其中一位創建員工。陶先生在中國之生產及市場推廣管理方面積逾二十九年經驗。

文杰先生，42歲，受聘於雲南僑通合資企業開業時，現任其總工藝師，負責其生產技術及工藝。文先生持有中國雲南大學理學士學位。

Mr. Wong Kam Lok, Andrew, aged 58, is the manager of petroleum business of the Group. He is responsible for the operation of petroleum business of the Group. Prior to joining the Group in May 2002, Mr. Wong served in a multi-national major oil company over 27 years for worldwide fuel oil business.

Ms. Mak Kit Ying, Maggie, aged 37, is the assistant project manager of the Group. She is responsible for coordinating the operation of the Group's production facilities in the PRC and assisting in the procurement of production equipment, spare parts, accessories and raw materials. She joined the Group in March 1993.

Mr. Zhang Jing, aged 45, has been employed by Yunnan Qiaotong JV since its inception and is currently its deputy general manager. He is responsible for its production planning and operations. Mr. Zhang graduated from the Graduate Course of Business Administration of the People's University of China, the PRC.

Mr. Li Jian Ping, aged 47, has been the deputy general manager of Yunnan Qiaotong JV since March 2001. Mr. Li has had over 18 years' experience in production management of the PRC's tobacco manufacturing industry.

Mr. Tao Fei Hu, aged 51, has been the deputy general manager of Yunnan Qiaotong JV since July 2001 for supervising the sales and marketing activities. He was one of the founding staff members of Yunnan Qiaotong JV. Mr. Tao has had over 29 years' working experience in production and marketing management in the PRC.

Mr. Wen Jie, aged 42, has been employed by Yunnan Qiaotong JV since its inception and is currently its chief workmanship officer. He is responsible for its production technique and workmanship. Mr. Wen holds a bachelor degree of science from University of Yunnan, the PRC.



江飛先生，43歲，受聘於雲南僑通合資企業開業時，現任其總工程師，負責生產設備管理。江先生為中國工程師，持有中國雲南工業大學學士學位。

葛祖德先生，42歲，受聘於雲南僑通合資企業開業時，現任其財務經理。葛先生為中國會計師。

劉雲先生，47歲，哈爾濱高美合資企業生產及品質管理的生產部總調度人。在二零零二年十月加盟本集團之前，他已在中國之印刷業積逾二十二年經驗。

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公司或其任何附屬公司訂立任何不得於一年內在無需支付任何賠償(法定賠償除外)之情況下終止之服務合約。

Mr. Jiang Fei, aged 43, has been employed by Yunnan Qiaotong JV since its inception and is currently its chief engineer. He is responsible for the management of production equipment. Mr. Jiang is an engineer in the PRC and holds a bachelor degree from Yunnan University of Industry, the PRC.

Mr. Ge Zu De, aged 42, has been employed by Yunnan Qiaotong JV since its inception and is currently its finance manager. Mr. Ge is an accountant in the PRC.

Mr. Liu Yun, aged 47, is the chief production coordinator for the production and quality control of Harbin Gaomei JV. Prior to joining the Group in October 2002, he had over 22 years' experience in the PRC's printing industry.

DIRECTORS' SERVICE CONTRACTS

None of the directors being 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.

董事於股份、相關股份及債券中擁有之權益

董事及彼等之聯繫人士在本公司（定義見證券及期貨條例（「證券及期貨條例」）第十五部）於二零零四年十二月三十一日之股份、相關股份及債券中，擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊內或須根據聯交所證券上市規則（「上市規則」）所載之上市公司董事進行證券交易之標準守則（「標準守則」）以其他方式知會本公司及聯交所之權益如下：

董事名稱	地位	持有已發行 普通股之數目	本公司已發行 股本之百分比
Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
許經振先生 Mr. Hui King Chun, Andrew	信託形式持有 Held by trust	(附註) 199,500,000 (Note)	74.53%

附註：該等股份以由全權信託間接全資擁有之公司Accufit Investments Inc.之名義登記，其受益人為許經振先生之家族成員。

除上述所披露者外，董事或彼等之聯繫人士概無在本公司或其任何相聯法團（定義見證券及期貨條例第十五部）於二零零四年十二月三十一日之股份、相關股份及債券中，擁有任何須登記於本公司根據證券及期貨條例第352條存置之登記冊內或須根據標準守則以其他方式知會本公司及聯交所之權益或淡倉。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st December, 2004, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of 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 (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Note: These shares are registered in the name of Accufit Investments Inc., a company indirectly wholly-owned by a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31st December, 2004, as required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



購買股份或債券之安排

本公司、其控股公司或其任何附屬公司概無於年內作為一方參與訂立任何可令本公司董事或行政總裁藉著購入本公司或任何其他法人團體之股份或債券而獲得利益之安排。

董事於重大合約之權益

本公司、其控股公司或其任何附屬公司概無作為一方參與訂立本公司董事於其中直接或間接擁有重大權益且與本集團業務有關之重大合約，該等合約於年終或於年內任何時候仍然有效。

主要股東

除上文「董事於股份、相關股份及債券中擁有之權益」一節所披露之權益外，概無在本公司於二零零四年十二月三十一日之股份及相關股份中，擁有任何須根據證券及期貨條例第336條知會本公司之其他相關權益或淡倉。

關連交易

本集團於年內須予披露關連交易之詳情載於本賬目附註35(i)。該等交易均為與雲南昭通卷煙廠進行之交易。聯交所已授出有條件豁免，即豁免本公司嚴格遵守上市規則之規定，而本公司獨立非執行董事已確認，該等交易乃根據聯交所授出之豁免所載之條件進行。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors or chief executives 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

No contracts of significance in relation to the Group's business to which the Company, its holding 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.

SUBSTANTIAL SHAREHOLDERS

Other than as disclosed above under the section headed "DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES", the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31st December, 2004 as required pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

Details of discloseable connected transactions of the Group during the year are set out in note 35(i) to the financial statements. The transactions were entered into with Yunnan Zhaotong Cigarette Factory. The Stock Exchange has granted conditional waivers to the Company from strict compliance with the requirements of the Listing Rules, and the independent non-executive directors of the Company have confirmed that these transactions were carried out in compliance with the conditions set out in the waivers granted by the Stock Exchange.

獨立非執行董事認為，上述交易乃於本集團日常及普通業務過程中按對本公司股東公平且合理之一般商業條款進行。

除上文所披露者外，概無須當作關連交易而遵照上市規則之有關規定予以披露之其他交易。

主要客戶及供應商

於截至二零零四年十二月三十一日止年度，本集團最大客戶及五大客戶分別佔本集團總營業額約23%及51%。本集團最大供應商及五大供應商分別佔本集團總購貨額約28%及66%。

董事、彼等之聯繫人士或任何就董事會所知擁有本公司股本逾5%之股東概無於本集團任何五大客戶或供應商之股本中擁有任何權益。

購買、出售或贖回本公司上市證券

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。

優先購股權

本公司之公司細則或百慕達法例並無有關可能強令本公司按比例向現有股東發售新股之優先購股權之規定。

In the opinion of the independent non-executive directors, the above transactions were carried out in the ordinary and usual course of business of the Group, on normal commercial terms on terms that are fair and reasonable so far as the shareholders of the Company are concerned.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2004, the Group's largest customer and five largest customers accounted for approximately 23% and 51% respectively of the Group's total turnover. The Group's largest supplier and five largest suppliers accounted for approximately 28% and 66% respectively of the Group's total 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 share capital) had an interest in the share capital of any of the Group's five largest customers or suppliers.

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.

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.



企業監管

董事會認為，本公司於截至二零零四年十二月三十一日止整個年度一直均有遵照上市規則附錄14所載之最佳應用守則，惟非執行董事並非按特定任期委任。彼等須根據本公司之公司細則第87條於本公司之股東週年大會上輪值告退及重選。

本公司已根據上市規則第3.13條接獲各獨立非執行董事有關其獨立性之週年確認書。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

根據本公司能取得之公開資料並據董事所知，於本報告書日期，本公司已發行股份有足夠之公眾持股量，不少於上市規則所規定之25%。

聯席核數師

本公司將在即將舉行之股東週年大會上提呈一項決議案，續聘德勤•關黃陳方會計師行及陳浩賢會計師事務所為本公司之聯席核數師。

承董事會命

許經振

主席

香港，二零零五年四月二十一日

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the year ended 31st December, 2004 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the non-executive directors are not appointed for specific terms. They are subject to retirement and re-election at the annual general meeting of the Company in accordance with Article 87 of the Company's Bye-Laws.

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.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within 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.

JOINT AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu and Messrs. Graham H.Y. Chan & Co. as joint auditors of the Company.

On behalf of the Board

Hui King Chun, Andrew

Chairman

Hong Kong, 21st April, 2005