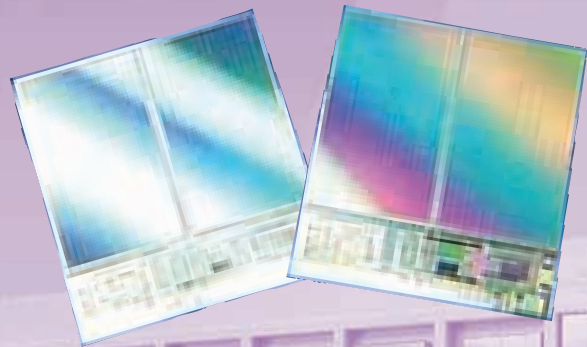


# Report of Directors 董事會報告

## IC Design 集成電路設計

Voice IC	話音集成電路
Recording IC	記錄集成電路
LED IC	大電子顯示屏集成電路
Melody IC	音樂集成電路
LCD Game IC	液晶體電子顯示屏遊戲集成電路
Voice & Melody IC	話音及音樂集成電路
MP3 IC	MP3 集成電路
Infra Red IC	紅外線集成電路
Radio Frequency IC	無線電頻率集成電路
Human Touch IC	人體感應集成電路
Voice Change IC	變聲集成電路



## REPORT OF THE DIRECTORS

The directors have pleasure in presenting 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. The activities of its subsidiaries are set out in note 34 to the financial statements.

### 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 38.

The directors do not recommend the payment of a dividend for the year.

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for approximately 55% for the Group's total turnover for the year. The largest customer of the Group accounted for approximately 20% of the Group's total turnover.

The aggregate purchase from the Group's five largest suppliers of the Group accounted for approximately 63% for the Group's total purchase for the year. The largest supplier of the Group accounted for approximately 25% of Group's total purchase for the year.



None of the directors, their associates or shareholders which to the knowledge of the directors owns more than 5% of the Company's share capital has any beneficial interest in the five largest customers or suppliers of the Group.

## 董事會報告

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。

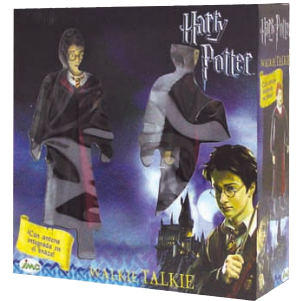
### 主要業務

本公司乃一間投資控股公司，附屬公司之主要業務載於財務報表附註34。

### 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第38頁之綜合收益表。

董事不建議派付本年度股息。



### 主要客戶及供應商

本年度，本集團對五大客戶之銷售總額佔本集團總營業額約55%。本集團最大客戶約佔本集團總營業額約20%。

本年度，本集團自五大供應商之採購總額佔本集團總採購額約63%。本集團最大供應商約佔本集團總營業額約25%。

各董事或彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無在本集團五大客戶或五大供應商中擁有任何實益權益。

## REPORT OF THE DIRECTORS

### SHARE CAPITAL

During the year, the Company issued and allotted 140,000,000 and 250,000,000 ordinary shares of HK\$0.01 each for cash at a price of HK\$0.05 and HK\$0.058 per share respectively.

The Company also issued and allotted 426,180,000 ordinary shares of HK\$0.01 each by way of rights issue at a subscription price of HK\$0.05 each per rights share to the existing shareholders on the basis of one rights share for every two existing shares held.

Details of movements during the year in the share capital of the Company are set out in note 21 to the financial statements.

### SUBSIDIARIES

During the year, the Group acquired 100%, 51%, 100% and 60% equity interests in Sky Union (Far East) Limited, Thunder Tech Electronic Co., Limited, Maple Printing Co., Limited and Yanyan Force Limited for cash considerations of HK\$3,000,000, HK\$1,000,000, HK\$1,750,000 and HK\$6,036,000 respectively. The Group also acquired the entire interest in GFT Holding Limited for a consideration of HK\$5,000,000, satisfied by a cash payment of HK\$2,500,000 and the issue of convertible notes with an aggregate principal amount of HK\$2,500,000.

The Group further disposed of its entire interests in Capital Bright International Ltd., TG Securities Limited and Bestcorp Investment Inc., for cash considerations of HK\$5,000,000, HK\$4,000,000 and HK\$100,000, respectively.

Details of the subsidiaries at 31 December 2004 are set out in note 34 to the financial statements.



## 董事會報告

### 股本

本年度，本公司分別發行及配發140,000,000股及250,000,000股普通股，每股面值港幣0.01元，價格分別為現金每股港幣0.05元及港幣0.058元。

本年度，本公司亦透過供股發行及配發426,180,000股每股面值港幣0.01港元之普通股，認購價為每股供股股份港幣0.05元，基準為每持有兩股現有股份配發一股供股股份。

年內本公司股本變動詳情載於財務報表附註21。

### 附屬公司

本年度，本集團分別收購天源(遠東)有限公司、迅雷科技有限公司、峰林印刷有限公司及欣科有限公司之100%、51%、100%及60%股權，現金代價分別為港幣3,000,000元、港幣1,000,000元、港幣1,750,000元及港幣6,036,000元。本集團亦收購GFT Holding Limited全部已發行股本，代價為港幣5,000,000元，分別透過現金支付港幣2,500,000元及發行本金總額為港幣2,500,000元之可換股票據支付。

本集團進一步出售其於Capital Bright International Ltd.、TG Securities Limited及Bestcorp Investment Inc.之全部股權，現金代價分別為港幣5,000,000元、港幣4,000,000元及港幣100,000元。

於二零零四年十二月三十一日附屬公司詳情載於財務報表附註34。



## REPORT OF THE DIRECTORS

### CONVERTIBLE NOTES

During the year, the Company issued unsecured convertible notes with an aggregate principal amount of HK\$2,500,000. The convertible notes were used to partly satisfy the consideration for the acquisition of a subsidiary.

Details of the convertible notes of the Company are set out in note 24 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

During the year, property, plant and equipment with an aggregate amount of approximately HK\$37,935,000 was acquired as a result of acquisitions of subsidiaries. Also, the Group incurred expenditure of approximately HK\$14,506,000 on the acquisition of property, plant and equipment.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for last five financial years is set out on page 100.

### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 42 and note 23 to the financial statements, respectively.

## 董事會報告

### 可換股票據

本年度，本公司發行無抵押可換股票據，總本金額為港幣2,500,000元。可換股票據乃用以償付收購附屬公司之部份代價。

本公司可換股票據詳情載於財務報表附註24。

### 物業、廠房及設備

本年度，購置之物業、廠房及設備之總額約為港幣37,935,000元，此乃因收購附屬公司而作出。本集團亦就購置物業、廠房及設備產生開支約港幣14,506,000元。

年內本集團之物業、廠房及設備之此等及其他變動詳情載於財務報表附註12。

### 五年財務概要

本集團於最近五個財政年度之業績及資產與負債概要載於第100頁。

### 儲備

本集團及本公司儲備於本年度之變動詳情分別載於第42頁之綜合權益變動表及財務報表附註23。



## REPORT OF THE DIRECTORS

### PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

### DIRECTORS

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

#### Executive Directors:

Leung Wai Ho, *Chairman*  
 Wong Chung Shun, *Deputy Chairman*  
 Ha Kee Choy, Eugene  
 (appointed on 19 July 2004)  
 Foo Yong Yow  
 (resigned on 14 January 2004)  
 Chan Lay Hoon  
 (resigned on 7 April 2004)

#### Non-executive Director:

Ma Wai Man, Catherine  
 (redesignated from executive director to non-executive director on 17 February 2004 and resigned on 22 April 2004)

## 董事會報告

### 購買、出售及贖回上市證券

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股份。

### 董事

本公司年內及直至本報告日期止之在任董事如下：

#### 執行董事：

梁蔚豪 (主席)  
 黃仲遜 (副主席)  
 夏其才  
 (於二零零四年七月十九日獲委任)  
 符永耀  
 (於二零零四年一月十四日辭任)  
 曾麗芬  
 (於二零零四年四月七日辭任)

#### 非執行董事：

馬慧敏  
 (於二零零四年二月十七日由執行董事重新獲委任為非執行董事，及於二零零四年四月二十二日辭任)



## REPORT OF THE DIRECTORS

### Independent Non-executive Directors:

Chui Chi Yun, Robert  
(appointed on 19 July 2004)

Lam Kwok Cheong  
(appointed on 14 January 2004)

Lai Wing Leung, Peter  
(appointed on 30 September 2004)

Ho Tak Kin  
(resigned on 3 February 2004)

Lam Lee G.  
(resigned on 19 July 2004)

In accordance with bye-law 99 and 102(B) of the Company's Bye-Law Mr. Lam Kwok Cheong will retire at the forthcoming annual general meeting ("AGM") to be held on 5 July 2005 by rotation, and Messrs. Ha Kee Choy, Eugene, Chui Chi Yun, Robert and Lai Wing Leung, Peter, who were newly appointed during the period from the last AGM to the date of this report will retire at the forthcoming AGM. All above retiring directors, being eligible, offer themselves for re-election at the forthcoming AGM.

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



No director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 董事會報告

### 獨立非執行董事：

崔志仁  
(於二零零四年七月十九日獲委任)

林國昌  
(於二零零四年一月十四日獲委任)

黎永良  
(於二零零四年九月三十日獲委任)

何達堅  
(於二零零四年二月三日辭任)

林家禮  
(於二零零四年七月十九日辭任)

根據本公司細則第99條及第102(B)條，林國昌先生須於二零零五年七月五日舉行之應屆股東週年大會(「股東週年大會」)上輪席告退，而於上一屆股東週年大會舉行日期至本報告日期間內新委任之夏其才先生、崔志仁先生及黎永良先生亦須於應屆股東週年大會上告退。上述所有任滿告退之董事合資格並願意於應屆股東週年大會上膺選連任。

根據本公司細則，各獨立非執行董事之任期由獲委任之日起至輪值告退時為止。

擬於應屆股東週年大會重選連任之董事概無與本集團訂有於一年內不作賠償(法定賠償除外)則本集團不可終止之服務合約。

## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2004, the interests of the directors, the chief executives and their associates in the shares and underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Future Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

- (i) Long positions in the ordinary shares of HK\$0.01 each of the Company:

Name of director 董事姓名	Number of shares held 所持股份數目				Percentage of issued share capital 佔已發行 股本百分比
	Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益	Total interest 其他總計	
Leung Wai Ho ("Mr. Leung") 梁蔚豪 (「梁先生」)	—	—	301,500,000 (L) (Note 2) (附註2)	301,500,000 (L)	19.7%
Wong Chung Shun ("Mr. Wong") 黃仲遜 (「黃先生」)	—	—	301,500,000 (L) (Note 3) (附註3)	301,500,000 (L)	19.7%

Notes:

1. The letter "L" denotes the director's long position in such securities.

## 董事會報告

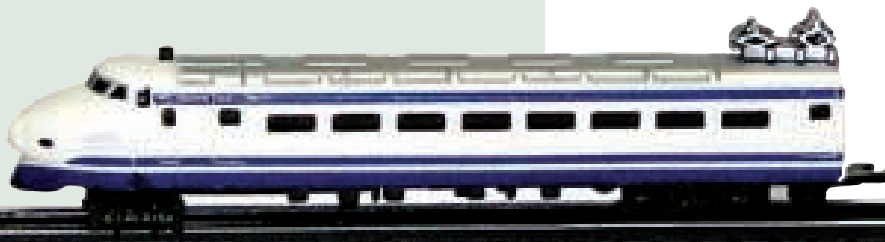
### 董事之證券權益

於二零零四年十二月三十一日，按照本公司根據證券及期貨條例第352條存置之登記冊所記錄，或根據香港聯合交易所有限公司證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則（「標準守則」）而知會本公司及香港聯合交易所有限公司（「聯交所」）之資料，董事、最高行政人員及彼等之聯繫人士於本公司及其相聯法團之股份及相關股份及債權證之權益如下：

- (i) 於本公司每股面值港幣0.01元之普通股中持有之好倉：

附註：

1. 「L」代表董事於該等證券之好倉。



## REPORT OF THE DIRECTORS

2. 301,500,000 shares are held by Charm Management Limited, which is a wholly-owned subsidiary of New Spread Investments Limited. New Spread Investments Limited is owned as to one-third by Excel Advance Holdings Limited and as to one-third by Grand Achieve Group Limited and as to one-third of Good Achieve Holdings Limited. As Mr. Leung is beneficially interested in the entire issued share capital of Excel Advance Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 301,500,000 shares held by Charm Management Limited.
  
3. As Mr. Wong is beneficially interested in the entire issued share capital of Good Achieve Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 301,500,000 shares.

### (ii) Long positions in convertible notes of the Company

Name of directors 董事姓名	Capacity 身份
Mr. Leung 梁先生	Beneficial owner 實益擁有人
Mr. Wong 黃先生	Beneficial owner 實益擁有人

*Note:*

The Company issued 3% convertible notes to each of Mr. Leung and Mr. Wong with a principal amount of HK\$1,125,000 each. During the conversion period as specified under convertible note agreements, each of Mr. Leung and Mr. Wong has an option to convert the notes into ordinary shares of the Company at a conversion price of HK\$0.05. Upon full conversion of the convertible notes, each of them will hold additional interests in ordinary shares representing 1.48% of the enlarged issued share capital of the Company.

## 董事會報告

2. 301,500,000 股股份由 New Spread Investments Limited 之全資附屬公司 Charm Management Limited 持有。Excel Advance Holdings Limited、Grand Achieve Group Limited 及 Good Achieve Holdings Limited 各佔 New Spread Investments Limited 之三分之一權益。由於梁先生實益擁有 Excel Advance Holdings Limited 之全部已發行股本，另擁有 Grand Achieve Group Limited 已發行股本之 50%，梁先生因此被視作於 Charm Management Limited 持有之 301,500,000 股股份中佔有權益。
  
3. 由於黃先生實益擁有 Good Achieve Holdings Limited 之全部已發行股本，另擁有 Grand Achieve Group Limited 已發行股本之 50%，黃先生因此被視為持有 301,500,000 股股份權益。

### (ii) 於本公司可換股票據中持有之好倉：

Amounts of convertible notes 可換股票據金額
HK\$1,125,000 (note) (附註)
HK\$1,125,000 (note) (附註)

*附註：*

本公司向梁先生及黃先生發行各自之本金額為港幣 1,125,000 元之 3% 可換股票據。於可換股票據協議指定之兌換期間，梁先生及黃先生有權按股價港幣 0.05 元將票據兌換為本公司普通股。於悉數兌換可換股票據後，彼等各自均將額外持有佔本公司經擴大已發行股本 1.48% 之普通股。



## REPORT OF THE DIRECTORS

### (iii) Long positions in share options of the Company

Name of directors 董事姓名	Capacity 身份
Mr. Leung 梁先生	Beneficial owner 實益擁有人
Mr. Wong 黃先生	Beneficial owner 實益擁有人
Ha Kee Choy, Eugene 夏其才	Beneficial owner 實益擁有人
Chui Chi Yun, Robert 崔志仁	Beneficial owner 實益擁有人
Lam Kwok Cheong 林國昌	Beneficial owner 實益擁有人
Lai Wing Leung, Peter 黎永良	Beneficial owner 實益擁有人

Save as disclosed above, as at 31 December 2004, none of directors, the chief executive their associates had any long or short positions in the shares, convertible notes, underlying shares of the Company or any of its associated corporations.

### SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 22 to the financial statement.

## 董事會報告

### (iii) 本公司購股權之好倉

Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
1,278,540	1,278,540
1,278,540	1,278,540
1,278,540	1,278,540
1,278,540	1,278,540
1,278,540	1,278,540
1,278,540	1,278,540

除上文所披露者外，於二零零四年十二月三十一日，概無董事、最高行政人員及彼等之聯繫人士於本公司或其任何相聯法團之任何股份、可換股票據、相關股份或債權證中擁有任何好倉或淡倉。

### 購股權

本公司之購股權計劃詳情載於財務報表附註22。



## REPORT OF THE DIRECTORS

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

Name of director 董事姓名	Exercisable period 以下期間可予行使結餘	Exercise price 行使價 HK\$ 港元	Balance at 1.1.2004 二零零四年 一月一日	Granted during the year 年內授出	Number of share options 購股權數目 Balance at 31.12.2004 以下日期結餘 二零零四年 十二月三十一日
Mr .Leung 梁先生	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Mr .Wong 黃先生	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Ha Kee Choy, Eugene 夏其才	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Chui Chi Yun, Robert 崔志仁	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Lam Kwok Cheong 林國昌	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Lai Wing Leung, Peter 黎永良	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	1,278,540	1,278,540
Total for directors 董事總計			—	7,671,240	7,671,240
Total for employees 僱員總計	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	63,927,000	63,927,000
Others 其他	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	43,470,360	43,470,360
Total for the scheme 計劃總計			—	115,068,600	115,068,600

## 董事會報告

年內本公司之購股權變動見下表披露：

	Balance at 1.1.2004 二零零四年 一月一日	Granted during the year 年內授出	Number of share options 購股權數目 Balance at 31.12.2004 以下日期結餘 二零零四年 十二月三十一日
Mr .Leung 梁先生	—	1,278,540	1,278,540
Mr .Wong 黃先生	—	1,278,540	1,278,540
Ha Kee Choy, Eugene 夏其才	—	1,278,540	1,278,540
Chui Chi Yun, Robert 崔志仁	—	1,278,540	1,278,540
Lam Kwok Cheong 林國昌	—	1,278,540	1,278,540
Lai Wing Leung, Peter 黎永良	—	1,278,540	1,278,540
Total for directors 董事總計	—	7,671,240	7,671,240
Total for employees 僱員總計	—	63,927,000	63,927,000
Others 其他	—	43,470,360	43,470,360
Total for the scheme 計劃總計	—	115,068,600	115,068,600

## REPORT OF THE DIRECTORS

As at 30 November, 2004, the date before 115,068,600 options with a exercise price of HK\$0.0676 were granted, the closing price per share of the Company was HK\$0.068.

Since the application of the Black-Scholes Option Price Model and the Binomial Model is based on a number of variables that are either theoretical, speculative or difficult to be ascertained, the directors of the Company believe that valuation of the options calculated on such basis would not be meaningful to existing or potential shareholders. Accordingly, the fair value of share options is not disclosed in the annual report.

No charge is recognised in the consolidated income statement in respect of the value of options granted during the year.

### DIRECTORS' RIGHT TO ACQUIRE SHARES

Other than the convertible notes and share options as disclosed above, at no time during the year was the Company, its holding companies or any of its subsidiaries or fellow 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 debt securities (including debentures) of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33 to the financial statements, no contracts of significance to which the Company or any 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.

## 董事會報告

於二零零四年十一月三十日，於授出115,068,600份行使價為港幣0.0676元之購股權前一日，本公司每股股價為港幣0.068元。

由於畢蘇期權定價模式及二項式期權定價模式之應用，乃基於若干變數，而該等變數均僅屬理論、猜測或難以確定，本公司董事相信按該等基準計算購股權對現有或潛在股東並無意義。因此並無於年報披露購股權之公平價值。

綜合收益表中並無就年內所授購股權價值確認扣賬。

### 董事購入股份之權利

除上文披露之可換股票據及購股權外，於本年度任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債券（包括債權證）而獲益。

### 董事之重大合約權益

除財務報表附註33所披露者外，本公司或其任何附屬公司概無訂立任何於年終或年內任何時間仍然有效，且本公司董事直接或間接擁有重大權益之重大合約。



## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

The interests of directors of the Company in competing business as at 31 December 2004 as required to be disclosed pursuant to the Listing Rules were set out as follows:

Name of Directors 董事姓名	Name of Company 公司名稱	Nature of Competing Business 競爭業務性質	Nature of Interest 權益性質
Mr. Leung 梁先生	General Fast Trading Limited ("General Fast") 真樂發貿易有限公司 (「真樂發」)	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder of General Fast 真樂發之董事及股東
	Force Electronics (Huizhou) Limited ("Force") 科時電子(惠州)有限公司 (「科時」)	Manufacturing of toys and electronic product 玩具及電子產品製造	Director and shareholder of Force 科時之董事及股東
Mr. Wong 黃先生	General Fast 真樂發	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder of General Fast 真樂發之董事及股東
	Force 科時	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder of Force 科時之董事及股東

Having considered the nature, size and scope of the above businesses, the directors of the Company believe that there is unlikely to be any significant competition with the businesses of the Group.

Save as disclosed above, none of the directors is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2004, the interests of those person (other than the Directors) in the shares of the company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO as follow:

## 董事會報告

### 董事於競爭業務之權益

於二零零四年十二月三十一日，本公司董事須根據上市規則披露彼等於競爭業務之權益如下：

Name of Directors 董事姓名	Name of Company 公司名稱	Nature of Competing Business 競爭業務性質	Nature of Interest 權益性質
Mr. Leung 梁先生	General Fast Trading Limited ("General Fast") 真樂發貿易有限公司 (「真樂發」)	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder of General Fast 真樂發之董事及股東
	Force Electronics (Huizhou) Limited ("Force") 科時電子(惠州)有限公司 (「科時」)	Manufacturing of toys and electronic product 玩具及電子產品製造	Director and shareholder of Force 科時之董事及股東
Mr. Wong 黃先生	General Fast 真樂發	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder of General Fast 真樂發之董事及股東
	Force 科時	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder of Force 科時之董事及股東

經考慮上述業務之性質、規模及範圍後，本公司董事認為應不會與本集團之業務構成任何重大競爭。

除上文披露者外，董事概無於可與或應與本集團業務構成直接或間接競爭之任何非本集團業務中擁有權益。

### 主要股東

於二零零四年十二月三十一日，按本公司根據證券及期貨條例第336條存置之主要股東名冊記錄，以下人士(董事除外)擁有本公司股份：



## REPORT OF THE DIRECTORS

### Long positions in ordinary shares of the Company

Name of shareholders	股東姓名	Number of shares of the Company held 持有本公司股份數目		Approximate Percentage of issued share capital 佔已發行股本之概約百分比
		Direct Interest 直接權益	Deemed Interest 視作權益	
Charm Management Limited	Charm Management Limited	301,500,000	—	19.72%
New Spread Investments Limited <i>(Note 1)</i>	New Spread Investments Limited <i>(附註1)</i>	—	301,500,000	19.72%
Grand Achieve Group Limited <i>(Note 1)</i>	Grand Achieve Group Limited <i>(附註1)</i>	—	301,500,000	19.72%
Excel Advance Holdings Limited <i>(Note 1)</i>	Excel Advance Holdings Limited <i>(附註1)</i>	—	301,500,000	19.72%
Good Achieve Holdings Limited <i>(Note 1)</i>	Good Achieve Holdings Limited <i>(附註1)</i>	—	301,500,000	19.72%
Kingsway Lion Spur Technology Limited	Kingsway Lion Spur Technology Limited	188,842,970	—	12.35%
SW Kingsway Capital Holdings Limited <i>(Note 2)</i>	滙富金融控股有限公司 <i>(附註2)</i>	—	188,842,970	12.35%
Festival Developments Limited <i>(Note 2)</i>	Festival Developments Limited <i>(附註2)</i>	—	188,842,970	12.35%
World Developments Limited <i>(Note 3)</i>	World Developments Limited <i>(附註3)</i>	—	188,842,970	12.35%
Innovation Assets Limited <i>(Note 3)</i>	Innovation Assets Limited <i>(附註3)</i>	—	188,842,970	12.35%
Kingsway International Holdings Limited <i>(Note 3)</i>	Kingsway International Holdings Limited <i>(附註3)</i>	—	188,842,970	12.35%
Choi Koon Shum, Jonathan <i>(Note 4)</i>	蔡冠深 <i>(附註4)</i>	—	188,842,970	12.35%
Kwan Wing Kum, Janice <i>(Note 4)</i>	關穎琴 <i>(附註4)</i>	—	188,842,970	12.35%
Lam Ka Chung, William <i>(Note 5)</i>	林家聰 <i>(附註5)</i>	—	188,842,970	12.35%
Lam Wong Yuk Sin, Mary <i>(Note 5)</i>	林黃玉羨 <i>(附註5)</i>	—	188,842,970	12.35%

#### Notes:

- Charm Management Limited, a wholly-owned subsidiary of New Spread Investments Limited, holds 301,500,000 shares in the Company. Each of Grand Achieve Group Limited, Excel Advance Holdings Limited and Good Achieve Holdings Limited is interested in one-third of the issued share capital of New Spread Investments Limited and therefore, each of them is deemed to be interested in 301,500,000 shares.

## 董事會報告

### 本公司普通股之好倉

Name of shareholders	股東姓名	Number of shares of the Company held 持有本公司股份數目		Approximate Percentage of issued share capital 佔已發行股本之概約百分比
		Direct Interest 直接權益	Deemed Interest 視作權益	
Charm Management Limited	Charm Management Limited	301,500,000	—	19.72%
New Spread Investments Limited <i>(Note 1)</i>	New Spread Investments Limited <i>(附註1)</i>	—	301,500,000	19.72%
Grand Achieve Group Limited <i>(Note 1)</i>	Grand Achieve Group Limited <i>(附註1)</i>	—	301,500,000	19.72%
Excel Advance Holdings Limited <i>(Note 1)</i>	Excel Advance Holdings Limited <i>(附註1)</i>	—	301,500,000	19.72%
Good Achieve Holdings Limited <i>(Note 1)</i>	Good Achieve Holdings Limited <i>(附註1)</i>	—	301,500,000	19.72%
Kingsway Lion Spur Technology Limited	Kingsway Lion Spur Technology Limited	188,842,970	—	12.35%
SW Kingsway Capital Holdings Limited <i>(Note 2)</i>	滙富金融控股有限公司 <i>(附註2)</i>	—	188,842,970	12.35%
Festival Developments Limited <i>(Note 2)</i>	Festival Developments Limited <i>(附註2)</i>	—	188,842,970	12.35%
World Developments Limited <i>(Note 3)</i>	World Developments Limited <i>(附註3)</i>	—	188,842,970	12.35%
Innovation Assets Limited <i>(Note 3)</i>	Innovation Assets Limited <i>(附註3)</i>	—	188,842,970	12.35%
Kingsway International Holdings Limited <i>(Note 3)</i>	Kingsway International Holdings Limited <i>(附註3)</i>	—	188,842,970	12.35%
Choi Koon Shum, Jonathan <i>(Note 4)</i>	蔡冠深 <i>(附註4)</i>	—	188,842,970	12.35%
Kwan Wing Kum, Janice <i>(Note 4)</i>	關穎琴 <i>(附註4)</i>	—	188,842,970	12.35%
Lam Ka Chung, William <i>(Note 5)</i>	林家聰 <i>(附註5)</i>	—	188,842,970	12.35%
Lam Wong Yuk Sin, Mary <i>(Note 5)</i>	林黃玉羨 <i>(附註5)</i>	—	188,842,970	12.35%

#### 附註：

- Charm Management Limited為New Spread Investments Limited之全資附屬公司，持有本公司股份301,500,000股。Grand Achieve Group Limited、Excel Advance Holdings Limited及Good Achieve Holdings Limited各公司均持有New Spread Investments Limited之三份一已發行股本，故此，彼等均被視為於301,500,000股股份中擁有權益。

## REPORT OF THE DIRECTORS

2. Festival Development Limited ("FDL") beneficially owns the entire equity interests in Kingsway Lion Spur Technology Limited which holds 188,842,970 shares in the Company and, in turn, FDL is deemed to be interested in 188,842,970 shares in the company. In addition, SW Kingsway Capital Holdings Limited ("SW") beneficially owns the entire equity interests in FDL. Therefore, SW is deemed to be interested in 188,842,970 shares.
3. World Developments Limited ("WDL") beneficially owns more than two-third equity interest in SW and WDL was deemed to be interested in 188,842,970 shares interest in the Company. Innovation Assets Limited ("IAL") beneficially owns the entire equity interests in WDL. Kingsway International Holdings Limited ("KIHL") beneficially owns or controls the entire equity interests in IAL. Therefore, both IAL and KIHL were deemed to be interested in 188,842,970 shares in the Company.
4. Mr. Choi Koon Shum, Jonathan (Mr. "Choi") beneficially owns 36,929,651 shares (approximately 46%) of the issued share capital of KIHL. He is deemed to be interested in 188,842,970 shares in the Company and Kwan Wing Kum Janice, the spouse of Mr. Choi, is also deemed to be interested in 188,842,970 shares in the Company.
5. Mr. Lam William Ka Chung and his spouse, Lam Wong Yuk Sin, Mary, who beneficially own 31,932,317 shares (approximately 40%) of the issued share capital of KIHL, are deemed to be interested in 188,842,970 shares in the Company.

Save as disclosed above, the Company has not been notified of any interests or short positions in the shares of the Company pursuant to section 336 of the Securities and Future Ordinance which represent 5 percent or more in the issued share capital of the Company as at 31 December 2004.

## CONNECTED TRANSACTIONS

- (i) On 21 July 2004, the Company announced that a sale and purchase agreement dated 20 July 2004 was made between Mr. Leung, Mr. Wong, I Agent Limited ("I Agent"), an independent third party and Prosper Overseas Limited, a wholly-owned subsidiary of the Company pursuant to which Mr. Leung, Mr. Wong and I Agent agreed to sell their entire equity interests in GFT Holding Limited to Prosper Overseas Limited, for a total consideration of HK\$5,000,000. The total consideration

## 董事會報告

2. Festival Developments Limited (「FDL」) 實益擁有 Kingsway Lion Spur Technology Limited 全部股本權益，而此公司則於本公司持有 188,842,970 股股份，故 FDL 被視為持有本公司 188,842,970 股股份。此外，滙富金融控股有限公司 (「滙富」) 實益擁有 FDL 全部股本權益。因此，滙富被視為持有 188,842,970 股股份。
3. World Developments Limited (「WDL」) 實益擁有滙富超過三分之二之股本權益，故 WDL 被視為擁有 188,842,970 股本公司股份權益。Innovation Assets Limited (「IAL」) 實益擁有 WDL 之全部股本權益。Kingsway International Holdings Limited (「KIHL」) 實益擁有或控制 IAL 之全部股本權益。因此，IAL 與 KIHL 均被視為於本公司持有 188,842,970 股股份。
4. 蔡冠深 (「蔡先生」) 先生實益擁有 KIHL 已發行股本中的 36,929,651 股股份 (約 46%)。彼被視為於本公司之 188,842,972 股股份，而蔡先生之配偶關穎琴亦被視為於 188,842,970 股股份中擁有權益。
5. 林家聰先生及其配偶林黃玉羨實益擁有 KIHL 已發行股本中的 31,932,317 股股份 (約 40%)，故被視為於本公司擁有 188,842,970 股股份。

除披露者外，本公司並無收到通知，指有任何於二零零四年十二月三十一日根據證券及期貨條例第 336 條持有 5% 或以上本公司已發行股份之任何權益或淡倉。

## 關連交易

- (i) 於二零零四年七月二十一日本公司曾公佈，梁蔚豪先生、黃仲遜先生、獨立第三方網介天地有限公司 (「網介天地」) 及本公司之全資附屬公司興旺海外有限公司已於二零零四年七月二十日訂立一項買賣協議，據此，梁蔚豪先生、黃仲遜先生及網介天地同意向興旺海外有限公司出售彼等於 GFT Holding Limited 之全部股本權益，總代價為港幣 5,000,000 元。該總代價以現

## REPORT OF THE DIRECTORS

was satisfied by a cash consideration of HK\$2,500,000 and by the issue of convertible notes with an aggregate principal amount of HK\$2,500,000 which bear interest at 3% per annum with the maturity date of conversion 18 months from the issue of the convertible notes.

Both Mr. Leung and Mr. Wong are directors and substantial shareholders of the Company. As such, this acquisition constituted a connected transaction. Independent shareholders' approval in this regard was obtained at the special general meeting held on 17 September 2004. The acquisition was completed on 30 September 2004.

New Challenge Limited ("New Challenge") is a subsidiary of GFT Holding Limited. Prior to completion of the acquisition, New Challenge has been placing orders with General Fast, a connected person of the Company from time to time for processing of toys. Upon GFT Holding Limited and New Challenge becoming the subsidiaries of the Company after completion of the acquisition, no orders have been placed by New Challenge with General Fast. New Challenge paid subcontracting fee of a approximately HK\$5,003,000 to General Fast for the year ended 31 December 2004.

Mr. Leung and Mr. Wong both of whom are directors and substantial shareholders of the Company, owns 45% equity interest in General Fast individually.

- (ii) On 30 December 2004, the Company announced that an asset transfer agreement dated 22 December 2004 was made between Force, and Hong Ke Dian Zi (Huizhou) You Xian Gong Si\* 宏科電子(惠州)有限公司 ("Hong Ke"), an indirect wholly-owned subsidiary of the Company pursuant to which Force agreed to transfer to Hong Ke the land use right of a piece of land situated in Huizhou City, the PRC. The total consideration of this asset transfer was RMB 8 million (equivalent to approximately HK\$7.5 million), which was satisfied by payment of cash.

\* *En English translation name*

## 董事會報告

金支付港幣2,500,000元，及透過發行年息3厘、兌換到期日為自發行日期起18個月、總金額港幣2,500,000元之可換股票據予以支付。

梁先生及黃先生均為本公司董事兼主要股東。因此，此項收購構成一項關連交易。此交易已獲獨立股東於二零零四年九月十七日舉行之股東特別大會上批准。此項收購已於二零零四年九月三十日完成。

利志有限公司(「利志」)為GFT Holding Limited之附屬公司。於收購完成前，利志一直不時向本公司關連人士真樂發下玩具加工訂單。於收購完成時GFT Holding Limited及利志成為本公司附屬公司後，利志已無向真樂發下訂單。截至二零零四年十二月三十一日止年度，利志向真樂發支付之分判費約為港幣5,003,000元。

梁先生及黃先生均為本公司之董事兼主要股東，分別擁有真樂發45%股權。

- (ii) 本公司於二零零四年十二月三十日公佈，科時與本公司之間接全資附屬公司宏科電子(惠州)有限公司(「宏科」)已於二零零四年十二月二十二日訂立資產轉讓協議，據此，科時同意向宏科轉讓位於中國惠州市之一幅土地之土地使用權。此項資產轉讓之總代價為人民幣8,000,000元(相當於約港幣7,500,000元)，已以現金支付。

\* 英譯名稱



## REPORT OF THE DIRECTORS

Force is beneficially owned as to 45% by Mr. Leung and 45% by Mr. Wong and 10% by an independent third party. As such, this asset transfer constituted a connected transaction. The asset transfer agreement was completed on 4 March 2005.

- (iii) Thunder Force Limited and Maple Printing Co., Limited, non wholly-owned subsidiaries of the Company made sales of approximately HK\$251,000 and HK\$340,000 to General Fast, respectively.

Mr. Leung and Mr. Wong, both of whom are directors and substantial shareholders of the Company, owns 45% equity interest in General Fast individually. As such, these transactions constitute connected transactions.

### PRE-EMPTIVE RIGHTS

There are no provision 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.

### CORPORATE GOVERNANCE

The Company has complied during the year ended 31 December 2004 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules which was in force prior to 1 January 2005 and remains applicable for the accounting period commencing before 1 January 2005, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the provisions of the Company's bye-laws.

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 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.

## 董事會報告

科時由梁先生實益擁有45%、黃先生實益擁有45%及一名獨立第三方實益擁有10%。因此，此項資產轉讓構成一項關連交易。此資產轉讓協議已於二零零五年三月四日完成。

- (iii) 本公司之兩間全資附屬公司迅雷科時有限公司及峰林印刷有限公司分別向真樂發作出為數約港幣251,000元及港幣340,000元之銷售。

梁先生及黃先生均為本公司董事兼主要股東，並分別於真樂發擁有45%股權。因此，此等收交易構成關連交易。

### 優先購買權

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

### 公司監管

於截至二零零四年十二月三十一日止年度內，本公司已遵守上市規則附錄十四所載之最佳應用守則（「守則」），該守則於二零零五年一月一日前已經生效，並仍然適用於二零零五年一月一日前開始之會計期間。然而，本公司之獨立非執行董事並非按守則第7段規定以指定任期委任，惟會按照本公司細則輪值告退。

本公司已採納一項董事進行證券交易之行為守則，該守則之條款不低於「標準守則」所載之規定標準。經向所有董事作出具體查詢後，各董事均確認彼等均已遵守標準守則所載之規定標準及本公司所採納之董事進行證券交易之行為守則。



## REPORT OF THE 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.

### AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirement of Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control.

Mr. Ho Tak Kin and Mr. Lam Lee G. were resigned as members of audit committee on 3 February 2004 and 19 July 2004 respectively. Mr. Lam Kwok Cheong and Mr. Chui Chi Yun, Robert were appointed to fill the casual vacancy created by Mr. Ho's and Mr. Lam's resignation. On 30 September 2004, Mr. Lai Wing Leung, Peter was appointed as an additional member of the audit committee. All Mr. Lam, Mr. Chui and Mr. Lai are all independent non-executive directors of the Company.

The Group's financial statements for the year ended 31 December 2004 have been reviewed by the committee, who is of the opinion that such statements complied with the applicable accounting standard and legal requirement, and that adequate disclosure have been made.

### SUFFICIENCY OF PUBLIC FLOAT

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

### AUDITORS

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

On behalf of the Board

**Leung Wai Ho**  
Chairman

Hong Kong, 25 April 2005.

## 董事會報告

本公司已收到各獨立非執行董事根據上市規則第 3.13條發出之每年確認書。本公司認為各獨立非執行董事均具獨立性。

### 審核委員會

本公司已根據上市規則之規定成立審核委員會，以檢討及監督本集團之財務申報程序及內部控制事宜。

何達堅先生及林家禮先生分別於二零零四年二月三日及二零零四年七月十九日辭任審核委員會成員。林國昌先生及崔志仁先生已獲委任填補何先生及林先生辭任所產生之臨時空缺。於二零零四年九月三十日，黎永良先生獲委任為審核委員會之額外成員。林先生、崔先生及黎先生均為本公司之獨立非執行董事。

本集團截至二零零四年十二月三十一日止年度之財務報表已經審核委員會審閱，該委員會認為，該等財務報表符合適用會計準則及法例規定，並已作出充份披露。

### 充足公眾持股量

本公司於整個截至二零零四年十二月三十一日止年度均保持充足公眾持股量。

### 核數師

本公司將於應屆股東週年大會上提呈決議案，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  
梁蔚豪

香港，二零零五年四月二十五日