

The Directors have the pleasure of presenting the annual report together with the audited accounts of Forefront International Holdings Limited (hereinafter as the “**Company**”) and its subsidiaries (together with the Company hereinafter as the “**Group**”) for the year ended 31 December 2004.

## ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 10 September 1998 as an exempted company with limited liability under the Companies Law (Revised). Its shares have been listed on The Stock Exchange of Hong Kong Limited since 12 July 2001.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the trading of motor trucks, coaches and vehicle accessories, provision of motor vehicle repair and maintenance services, provision of other motor vehicle related services and motor vehicle financing services. Other activities and particulars of the Group’s subsidiaries are set out in Note 11 to the financial statements.

## CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2004, the five largest customers accounted for approximately 26.2% of the Group’s total turnover and the five largest suppliers of the Group accounted for approximately 94.2% of the Group’s total purchases. The largest customer of the Group accounted for approximately 10.6% of the Group’s turnover while the largest supplier accounted for approximately 56.9% of the Group’s total purchases. The largest supplier of the Group was Scania CV AB (publ), also a minority shareholder of the Company.

Save as disclosed above, 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 a beneficial interest in the Group’s five largest customers or five largest suppliers.

董事欣然提呈福方國際控股有限公司（下文稱為「**本公司**」）及其附屬公司（連同本公司統稱為「**本集團**」）截至二零零四年十二月三十一日止年度之年報連同已審核帳目。

## 組織及主要業務

本公司於一九九八年九月十日在開曼群島根據開曼群島公司法（經修訂）註冊成立為獲豁免有限公司。本公司的股份已於二零零一年七月十二日在香港聯合交易所有限公司上市。

## 主要業務

本公司是一間投資控股公司，其附屬公司主要從事貨車、旅遊巴士及汽車零配件買賣；提供汽車維修保養服務；提供其他汽車相關服務及汽車融資服務。本集團附屬公司之其他業務及詳情載於帳目附註11內。

## 客戶及供應商

截至二零零四年十二月三十一日止年度，五大客戶約佔本集團總營業額26.2%，本集團五大供應商約佔本集團總採購額94.2%。本集團最大客戶，約佔本集團營業額10.6%。本集團的最大供應商，約佔本集團總採購額56.9%。本集團的最大供應商為本公司的少數股東之一Scania CV AB (publ)。

除上文披露外，概無董事、彼等之聯繫人或任何股東（就董事知悉擁有本公司股本超過5%者）擁有本集團五大客戶或五大供應商之實益權益。

## RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31 December 2004 are set out in the consolidated income statement on page 31 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2004.

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in share capital and the share option scheme of the Company are set out in Notes 25 and 26, respectively, to the accompanying financial statements.

## RESERVES

Movements in reserves of the Company during the year are set out in Note 27 to the financial statements. Distributable reserves of the Company as at 31 December 2004 amounted to approximately HK\$125,925,000 (2003: HK\$188,822,000).

## CONVERTIBLE SECURITIES OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS

Save as an outstanding zero coupon convertible bonds in the amount of US\$9,000,000, the Company had no outstanding convertible securities options, warrants or other similar rights as at 31 December 2004. There has been no exercise of convertible securities, options, warrants or other similar rights during the year ended 31 December 2004.

## 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的業績詳情載於本年報第31頁之綜合損益帳內。

董事並不建議派付截至二零零四年十二月三十一日止年度的股息。

## 股本及購股權

本公司股本及購股權計劃之變動詳情分別載於附隨之財務報表附註25及附註26內。

## 儲備

本公司在年度內之儲備變動情況載於財務報表附註27內。於二零零四年十二月三十一日，本公司的可供分派儲備達約125,925,000港元（二零零三年：188,822,000港元）。

## 可換股證券、認購權、認股權證或其他相類權利

本公司於二零零四年十二月三十一日之零息票可換股債券為9,000,000美元，並無尚未行使的可換股證券、認購權、認股權證或其他相類權利。於二零零四年十二月三十一日，並無可換股證券、認購權、認股權證或其他相類權利獲行使。

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2004, the Company made the following purchases of its own shares:

## 購買、出售或贖回股份

截至二零零四年十二月三十一日止年度，本公司曾購買本身的股份如下：

Trading Date 交易日期	Number of shares purchased 購買股份數目	Method of purchase 購買方式	Price per share or highest price paid 每股股份價格或已付最高價格 HK\$ 港元	Lowest price paid 已付最低價格 HK\$ 港元	Aggregate amount paid 已付總額 HK\$ 港元
26 Feb 2004 二零零四年二月二十六日	500,000	On the Stock Exchange of Hong Kong Limited (the "Stock Exchange") 於香港聯合交易所有限公司(「聯交所」)	1.500	1.390	741,300
27 Feb 2004 二零零四年二月二十七日	210,000	On the Stock Exchange 於聯交所	1.590	1.500	333,000
4 Mar 2004 二零零四年三月四日	700,000	On the Stock Exchange 於聯交所	1.550	1.450	1,033,440
5 Mar 2004 二零零四年三月五日	400,000	On the Stock Exchange 於聯交所	1.450	1.410	573,900
8 Mar 2004 二零零四年三月八日	260,000	On the Stock Exchange 於聯交所	1.520	1.500	390,800
9 Mar 2004 二零零四年三月九日	600,000	On the Stock Exchange 於聯交所	1.510	1.490	901,700
10 Mar 2004 二零零四年三月十日	568,000	On the Stock Exchange 於聯交所	1.510	1.450	847,460
11 Mar 2004 二零零四年三月十一日	330,000	On the Stock Exchange 於聯交所	1.530	1.500	498,960
12 Mar 2004 二零零四年三月十二日	1,320,000	On the Stock Exchange 於聯交所	1.500	1.480	1,975,000
15 Mar 2004 二零零四年三月十五日	820,000	On the Stock Exchange 於聯交所	1.540	1.480	1,235,600
16 Mar 2004 二零零四年三月十六日	220,000	On the Stock Exchange 於聯交所	1.540	1.530	338,100

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the laws in the Cayman Islands, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders.

## 優先購買權

本公司的組織章程細則及開曼群島法律並無關於規定本公司須按比例向現有股東提呈股份之優先購買權的條文。

## SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in Notes 10 to 12 to the financial statements, respectively.

## 附屬公司及聯營公司

本公司附屬公司及聯營公司的詳情載於附隨之帳目附註10至12內。

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 9 to the financial statements.

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2004 are set out in Note 22 to the financial statements.

## FIVE YEARS SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 95 and 96 of the annual report.

## PENSION SCHEMES

Details of the pension schemes operated by the Group are set out in Note 21 to the financial statements.

## CONNECTED TRANSACTIONS

One of the related party transactions disclosed in Note 32 to the financial statements constituted a connected transaction under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Details of such connected transaction are as follows:

### Engagement of professional services from RSM Nelson Wheeler Corporate Advisory Services Limited ("RSMNW")

In December 2004, the Company entered into an engagement with RSMNW whereby RSMNW would provide financial and operational monitoring and controls and assist with regards to prudential and corporate governance issues relating to the Group. The engagement is for a fixed period of 10 months and the total payments under the engagement are capped at HK\$5,000,000.

Full disclosure of the engagement was made in an announcement of the Company dated 27 January 2005.

The independent non-executive directors have reviewed the transaction and confirm that:

1. The transaction has been entered into on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties; and
2. The transaction has been entered into in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## 物業、廠房及設備

物業、廠房及設備在本年度的變動詳情載於附隨之財務報表附註9內。

## 銀行貸款及其他借貸

本公司及本集團於二零零四年十二月三十一日之銀行貸款及其他借貸的詳情載於帳目附註22內。

## 五年財務資料摘要

本集團過去五個財政年度之業績及資產負債摘要載列於本年報第95頁及96頁內。

## 退休金計劃

由本集團營辦之退休金計劃之詳情載於附隨之帳目附註21內。

## 關連交易

根據香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章，於財務報表附註32所披露之其中一項關連人士交易構成關連交易。該關連交易詳情如下：

### 羅申美企業顧問有限公司（「羅申美」）的專業服務委聘

於二零零四年十二月，本公司與羅申美企業顧問有限公司（「羅申美」）訂立一項委聘，據此，羅申美將提供財務及營運監控與控制服務，以及協助處理有關本集團的信誠與企業管治事宜。該項委聘的固定期限為10個月，而就該項委聘所支付的總金額最高定為5,000,000港元。

本公司已於二零零五年一月二十七日刊發報章公佈，全面披露該項委聘之詳情。

獨立非執行董事已審閱交易並確認：

1. 交易乃按一般商業條款或不遜於本公司向或獲獨立第三方提供之條款訂立；及
2. 交易乃根據規管交易之有關協議訂立，且其條款對本公司股東整體而言為公平合理。

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors who held office during the year and up to the date of this report were:

### Executive director

- Mr. Kelvin Edward Flynn  
(appointed on 8 September 2004)
- Mr. Yang Chien-Nan  
(appointed on 30 March 2004, retired on 5 July 2004,  
re-appointed on 20 July 2004,  
resigned on 8 September 2004)
- Mr. Lee Mao Fang (resigned on 8 September 2004)
- Mr. Wang Shuang Ho  
(appointed on 18 June 2004, retired on 5 July 2004,  
re-appointed on 20 July 2004,  
resigned on 8 September 2004)
- Mr. Lee Shen Hsiung  
(appointed on 18 June 2004,  
retired on 5 July 2004)
- Mr. So George Siu Ming (resigned on 15 June 2004)
- Mr. Lu Gong (resigned on 3 May 2004)
- Mr. Yang Chien Chi, Allen (resigned on 8 April 2004)

### Non-executive directors

- Mr. Paul Gerard Davies  
(appointed on 20 July 2004)
- Mr. Cosimo Borrelli  
(appointed on 8 September 2004)
- Mr. Alistair Macleod  
(appointed on 20 July 2004, re-designated to independent  
non-executive director on 8 September 2004)
- Mr. Selwyn Mar  
(appointed on 20 July 2004, re-designated to independent  
non-executive director on 8 September 2004)
- Mr. Claes Toren (resigned on 15 March 2004)
- Mr. Liu Chen Wei, Jerry (resigned on 25 February 2004)

### Independent non-executive directors

- Mr. Lau Siu Ki, Kevin
- Mr. Cheong Ying Chew, Henry
- Mr. Alistair Macleod  
(re-designated from non-executive director on 8 September 2004)
- Ms. Selwyn Mar  
(re-designated from non-executive director on 8 September 2004  
and resigned on 16 September 2004)

In accordance with the Articles of Association of the Company, Mr. Paul Gerard Davies, Mr. Alistair Macleod, Mr. Kelvin Edward Flynn and Mr. Cosimo Borrelli will retire from office and, being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting. The other remaining directors continue in office.

## 董事及董事之服務合約

本年度及截至本報告發佈當日任職的董事如下：

### 執行董事

- Kelvin Edward Flynn先生  
(於二零零四年九月八日任命)
- 楊健男先生  
(於二零零四年三月三十日任命，二零零四年  
七月五日退任，二零零四年七月二十日重新  
任命，二零零四年九月八日辭任)
- 李茂芳先生(於二零零四年九月八日辭任)
- 王雙和先生  
(於二零零四年六月十八日任命，二零零四年  
七月五日退任，二零零四年七月二十日重新  
任命，二零零四年九月八日辭任)
- 李勝雄先生  
(於二零零四年六月十八日任命，  
二零零四年七月五日退任)
- 蘇少明先生(於二零零四年六月十五日辭任)
- 魯恭先生(於二零零四年五月三日辭任)
- 楊健志先生(於二零零四年四月八日辭任)

### 非執行董事

- Paul Gerard Davies先生  
(於二零零四年七月二十日任命)
- Cosimo Borrelli先生  
(於二零零四年九月八日任命)
- Alistair Macleod先生  
(於二零零四年七月二十日任命，二零零四年  
九月八日調任獨立非執行董事)
- 馬紹援先生  
(於二零零四年七月二十日任命，二零零四年  
九月八日調任獨立非執行董事)
- Claes Toren先生(於二零零四年三月十五日辭任)
- 劉振偉先生(於二零零四年二月二十五日辭任)

### 獨立非執行董事

- 劉紹基先生
- 張英潮先生
- Alistair Macleod先生  
(於二零零四年九月八日從非執行董事調任)
- 馬紹援先生  
(於二零零四年九月八日從非執行董事調任，  
並於二零零四年九月十六日辭任)

根據本公司的組織章程細則，Paul Gerard Davies先生、Alistair Macleod先生、Kelvin Edward Flynn先生及Cosimo Borrelli先生將於本公司之應屆股東週年大會上退任，惟合乎資格，且願膺選連任。其他董事繼續留任。

### Executive directors

None of the directors has an unexpired service contract with the Company, which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

### Non-executive directors and independent non-executive directors

The non-executive directors and independent non-executive directors were appointed by the board of directors not for specific terms. Their remuneration is determined by the board of directors on the anniversary of the date of their appointment.

### DIRECTORS' INTERESTS IN SHARES

As at 31 December 2004, the interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO") of the directors and the chief executive of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Name 姓名	Nature of interests 權益性質	Number of shares 股份數目	% of voting right 投票權%
Kelvin Edward Flynn and Cosimo Borrelli Kelvin Edward Flynn 及Cosimo Borrelli	Corporate (Note 1) 公司(附註1)	121,220,269	27.82%

Note:

Mr. Kelvin Edward Flynn and Mr. Cosimo Borrelli act in the following capacity with respect to certain shareholders of the Company:

- (1) Forefront International Limited (In Liquidation) ("FIL"): Mr. Flynn was appointed Joint and Several Provisional Liquidator of FIL with effect from 7 June 2004. Subsequently, Mr. Flynn and Mr. Borrelli were appointed Joint and Several Liquidators of FIL with effect from 7 February 2005. As at 31 December 2004, FIL held 120,588,805 shares of the Company, or 27.67% of total issued share capital. Subsequent to 31 December 2004, this interest has reduced to 30,700,000 shares, or 7.04% of total issued share capital.

### 執行董事

所有董事與本公司之間無任何尚未屆滿且本公司不可於一年內免付補償(法定補償除外)而終止的服務合約。

### 非執行董事及獨立非執行董事

非執行董事及獨立非執行董事由董事會委任，並無特定任期，酬金由董事會在任命的週年日釐定。

### 董事的股份權益

於二零零四年十二月三十一日，於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及8分部之規定知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之條文被當作或被視作擁有之權益及淡倉)，或須根據證券及期貨條例第352條登記於該條例所述之登記冊內，或須根據上市公司董事進行證券交易之標準守則知會本公司及聯交所之權益及淡倉之本公司董事及行政總裁如下：

附註：

Kelvin Edward Flynn先生及Cosimo Borrelli先生於本公司若干附屬公司之身份如下：

- (1) 福方股份有限公司(清盤中)(FIL)：Flynn先生自二零零四年六月七日起獲委任為FIL之共同及個別臨時清盤人。其後，Flynn先生與Borrelli先生獲委任為FIL之共同及個別清盤人，自二零零五年二月七日起生效。於二零零四年十二月三十一日，FIL持有本公司120,588,805股股份，佔本公司已發行股本總額27.67%。於二零零四年十二月三十一日後，此項權益已減少至30,700,000股股份，即已發行股本總額之7.04%。

- (2) Ever Wealth Management Limited (In Liquidation) ("EWL"): Mr Flynn was appointed Joint and Several Provisional Liquidator of EWL with effect from 7 June 2004. Subsequently, Mr Flynn and Mr Borrelli were appointed Joint and Several Liquidators of EWL with effect from 1 February 2005.

As at 31 December 2004, EWL held 550,000 shares of the Company, or 0.13% of total issued share capital. EWL indirectly held a further 81,464 shares (0.02%) through its wholly-owned subsidiary Todaytech Asia Limited (In Liquidation).

- (3) Todaytech Asia Limited (In Liquidation) ("Todaytech"): Mr. Flynn and Mr. Borrelli were appointed Joint and Several Liquidators of Todaytech with effect from 1 December 2004.

As at 31 December 2004, Todaytech held 81,464 shares of the Company, or 0.02% of total issued share capital. Todaytech is a wholly-owned subsidiary of Ever Wealth Management Limited (In Compulsory Liquidation).

Save as disclosed above, as at 31 December 2004, none of the directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company. Details of the scheme are set out in Note 26 to the financial statements. As at 31 December 2004, no option has been granted to the Company's directors under the share option scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable any of the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

- (2) Ever Wealth Management Limited (清盤中) (「EWL」): Flynn先生自二零零四年六月七日起獲委任為EWL之共同及個別臨時清盤人。其後，Flynn先生與Borrelli先生獲委任為福方股份之共同及個別清盤人，自二零零五年二月一日起生效。

於二零零四年十二月三十一日，EWL持有本公司550,000股股份，佔本公司已發行股本總額0.13%。EWL透過其全資附屬公司Todaytech Asia Limited (清盤中)間接持有額外81,464股股份(0.02%)。

- (3) Todaytech Asia Limited (清盤中) (「Todaytech」): Flynn先生與Borrelli先生獲委任為Todaytech之共同及個別清盤人，自二零零四年十二月一日起生效。

於二零零四年十二月三十一日，Todaytech持有本公司81,464股股份，佔本公司已發行股本總額0.02%。Todaytech為Ever Wealth Management Limited (清盤中)之全資附屬公司。

除上文所披露者外，於二零零四年十二月三十一日，概無本公司董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及8分部之規定知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例之條文被當作或被視作擁有之權益及淡倉)，或須根據證券及期貨條例第352條登記於該條例所述之登記冊內，或須根據上市公司董事進行證券交易之標準守則知會本公司及聯交所之權益或淡倉。

## 董事購買股份或債權證之權利

本公司設有購股權計劃，據此，本公司可向本集團僱員(包括本公司的執行董事)授出購股權，以認購本公司的股份。該計劃的詳情載於附隨之帳目附註26內。於二零零四年十二月三十一日，並無根據購股權計劃向本公司的董事授出任何購股權。

除上文所披露者外，於本年度任何時間內，本公司或其附屬公司或控股公司並無訂立任何安排，致令本公司董事或其管理層成員可藉購買本公司或任何其他法團的股份或債務證券(包括債權證)而獲益。

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party and in which any of the Company's directors or members of its management had a material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## SUBSTANTIAL SHAREHOLDERS

The following table sets forth information regarding ownership of, and short positions in, the outstanding shares of the Company as at 31 December 2004 by those persons who beneficially own more than 5% of the issued shares, as recorded in the register maintained by the Company pursuant to Part XV of the Securities and Futures Ordinance.

## 董事在合約之權益

除上段所披露者外，在本公司或其任何附屬公司或控股公司所訂立，並且於年結日或本年度內仍然生效及關於本集團業務之任何重大合約上，本公司董事或管理層成員並無直接或間接擁有任何重大權益。

## 主要股東

下表載列於二零零四年十二月三十一日，本公司根據證券及期貨條例第XV部存置之名冊所記錄，實益擁有已發行股份5%以上的人士於本公司已發行股份之擁有權及淡倉。

Name 名稱	Number of shares (long position) 股份 (好倉) 數目	% of voting right (long position) 投票權 (好倉) 百分比	Number of shares (short position) 股份 (淡倉) 數目	% of voting right (short position) 投票權 (淡倉) 百分比
FIL (Note 1) (附註1)	120,588,805	27.67%	–	–
Jetwide Limited (Note 1) (附註1)	120,588,805	27.67%	–	–
Caisse Des Depots Et Consignation (Note 2) (附註2)	48,480,931	11.13%	–	–
CDC Holding Finance (Note 2) (附註2)	48,480,931	11.13%	–	–
Caisse Nationale Des Caisse Depargne Et De Prevoyance (Note 2) (附註2)	48,480,931	11.13%	–	–
CIE Financiere Eulia (Note 2) (附註2)	48,480,931	11.13%	–	–
CDC Ixis (Note 2) (附註2)	48,480,931	11.13%	–	–
Nexgen Financial Holdings Limited (Note 2) (附註2)	48,480,931	11.13%	–	–
Nexgen Re Limited (Note 2) (附註2)	48,480,931	11.13%	–	–
Nexgen Capital Limited (Note 2) (附註2)	48,480,931	11.13%	–	–
Ramius Capital Group LLC (Notes 3) (附註3)	44,860,734	10.29%	–	–
Aeneas Portfolio Company, L.P.	36,426,000	8.36%	–	–
Mackenzie Cundill Recovery Fund	27,454,000	6.30%	–	–
The International Commercial Bank of China Co., Ltd.	25,500,000	5.85%	–	–

Notes:

(1) Jetwide Limited owns 45% of the issued share capital of FIL. Therefore these interests are duplicated to the extent of 120,588,805 shares.

附註:

(1) Jetwide Limited 擁有 FIL 已發行股本之 45%，故此該等權益涉及 120,588,805 股重疊的股份。



- (2) The issued share capital of Nexgen Capital Limited is wholly-owned by Nexgen Re Limited, which is in turn wholly-owned by Nexgen Financial Holdings Limited, which is in turn owned as to 39% by CDC Ixis, which is in turn owned as to 53% by CIE Financiere Eulia ("CIEFE") and as to 43.55% by Caisse Des Depots Et Consignation ("CDDEC").

The issued share capital of CIEFE is owned as to 49.9% by Caisse Nationale Des Caisse Depargne Et De Prevoyance ("CNDCEDEP") and as to 50.1% by CDC Holding Finance.

The issued share capital of CNDCEDEP is owned as to 35% by CDC Holding Finance which is in turn wholly-owned by CDDEC.

Therefore the long position interests are duplicated to the extent of 339,366,517 shares.

- (3) These interests were held through a number of sub-funds within Ramius Capital Group. The entire shareholding was sold subsequent to 31 December 2004.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

- (2) Nexgen Capital Limited的已發行股本由Nexgen Re Limited全資擁有，Nexgen Re Limited則由Nexgen Financial Holdings Limited全資擁有，Nexgen Financial Holdings Limited由CDC Ixis擁有39%，CDC Ixis由CIE Financiere Eulia（「CIEFE」）和Caisse Des Depots Et Consignation（「CDDEC」）分別擁有53%及43.55%。

CIEFE的已發行股本由Caisse Nationale Des Caisse Depargne Et De Prevoyance（「CNDCEDEP」）與CDC Holding Finance分別擁有49.9%及50.1%。

CNDCEDEP的已發行股本由CDC Holding Finance擁有35%，而CDC Holding Finance則由CDDEC全資擁有。

故此，好倉權益涉及339,366,517股重疊的股份。

- (3) 該等權益乃透過Ramius Capital Group旗下多個附屬基金持有。所有股權已於二零零四年十二月三十一日後售出。

## 管理合約

本年度，概無訂立或存在關於本公司全部或任何重大部分業務的管理或行政合約。

## USE OF PROCEEDS

The net proceeds of the share offer in connection with the listing of the shares of the Company on the Stock Exchange were approximately HK\$92.8 million. All the proceeds had been applied in the following areas.

## 所得款項用途

本公司為股份在聯交所上市而進行股份發售，所得款項淨額約為92,800,000港元。所有所得款項在年內用作以下用途。

	<b>Originally planned</b> 原訂計劃 HK\$'000 千港元	<b>As amended</b> 經修訂 HK\$'000 千港元	Note 附註	<b>Amount utilised up to 31st December 2004</b> 截至二零零四年 十二月三十一日 已動用的款項 HK\$'000 千港元
Expansion of the Group's after sales services by establishing additional self-operated service centres and authorised service centres 通過設立額外自行操作的服務中心及特許服務中心而擴充本集團的售後服務	35,000	35,000		35,000
Expansion of the financing capabilities of Forefront Finance Co. Limited 擴充福方財務有限公司的融資能力	20,000	2,385	1	2,385
Expansion of the chain services provided by U-Drive Co. Limited in Hong Kong and setting up of U-Drive in Taiwan and in the PRC 擴充由香港任我行有限公司所提供的連鎖服務及在台灣和中國建立任我行業務	15,000	15,000		15,000
Development of and the further upgrading of the Group's information system and information technology 本集團信息系統和信息技術的開發和進一步提升	5,000	1,070	1	1,070
General working capital 一般營運資金	17,800	39,345		39,345
	<u>92,800</u>	<u>92,800</u>		<u>92,800</u>

Note:

- (1) As disclosed in the press announcement on 25 September 2003, unused proceeds as of that date from 'Expansion of the financing capabilities of Forefront Finance Co. Limited' and 'Development of and the further upgrading of the Group's information system and information technology' in the amount of HK\$17,615,000 and HK\$3,930,000, respectively were reassigned to be used as additional general working capital.

As further disclosed in Note 23, the net proceeds in connection with the issue of the unsecured zero coupon convertible bond in February 2004 amounted to HK\$77 million.

附註:

- (1) 誠如二零零三年九月二十五日公佈中所披露，於當日「擴展福方財務有限公司的融資能力」及「本集團信息系統和信息技術的開發和進一步提升」中尚未使用的所得款項（分別為17,615,000港元及3,930,000港元）已轉撥作為一般營運資金用途。

誠如附註23所披露，有關於二零零四年二月發行無抵押零息票可換股債券所得款項淨額為77,000,000港元。

	<b>Originally planned</b>	<b>Amount utilised up to 31 December 2004 截至二零零四年 十二月三十一日 已動用的款項</b>
	HK\$'000 千港元	HK\$'000 千港元
Repayment of bank borrowings      償還銀行借貸	77,000	77,000

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to attendance at the forthcoming annual general meeting, on Tuesday 21 June 2005 and Wednesday 22 June 2005, during which period no transfer of shares will be registered. In order to attend the forthcoming annual general meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong, no later than 4:00 p.m. on Monday 20 June 2005.

### 暫停辦理股份過戶登記

本公司將於二零零五年六月二十一日星期二及二零零五年六月二十二日星期三，暫停辦理股份過戶登記手續，以確定有權出席應屆股東週年大會的股東資格，在該段期間內，將不會進行股份過戶登記。為出席應屆股東週年大會，股東應確保所有過戶文件連同有關股票，最遲於二零零五年六月二十日星期一下午四時正交到本公司的股份過戶登記處—登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

## AUDIT COMMITTEE

In accordance with the requirements of the Listing Rules, the Group has established an Audit Committee comprising three independent non-executive directors of the Company. They are responsible for dealing with audit related matters, which include reviewing and supervising the financial reporting process and internal controls to protect the interests of shareholders.

## CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in the Listing Rules throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's Articles of Association.

## AUDITORS

In March 2002, Ernst & Young resigned and the Directors appointed Messrs Arthur Andersen & Co to fill the casual vacancy. In July 2002, Messrs. Arthur Andersen & Co combined their practice with Messrs PricewaterhouseCoopers and the latter had replaced the former as auditors. In January 2005, Messrs PricewaterhouseCoopers resigned and in February 2005 the Directors appointed Messrs. Moores Rowland Mazars to fill the casual vacancy. Apart from the above, there has been no change in auditors of the Group in any of the preceding three years.

The accompanying financial statements were audited by Messrs Moores Rowland Mazars. A resolution for the re-appointment of Messrs Moores Rowland Mazars as the Company's auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board of Directors,

**Kelvin Edward Flynn**

*Executive Director*

Hong Kong, 25 April 2005

## 審核委員會

遵照上市規則的規定，本集團已成立審核委員會，當中包括本公司三名獨立非執行董事。彼等負責有關審核事宜，包括檢討和監督財務申報過程及內部監控程序，以保障股東利益。

## 最佳應用守則

董事認為，本公司在年報涵蓋的整段會計期間，一直遵守上市規則所載最佳應用守則，惟本公司獨立非執行董事並非按特定年期獲委任，而是根據本公司組織章程細則輪值退任。

## 核數師

於二零零二年三月，安永會計師事務所辭任，董事遂任命安達信公司填補空缺。於二零零二年七月，安達信公司與羅兵咸永道會計師事務所合併業務，由後者代替前者出任本公司核數師。於二零零五年一月羅兵咸永道會計師事務所辭任，董事遂於二零零五年二月任命摩斯倫•馬賽會計師事務所填補空缺。除此上文所披露者，在前三年內任何一年，本集團的核數師概無任何變動。

隨附財務報表由摩斯倫•馬賽會計師事務所審核。在即將舉行的股東週年大會上將會提呈決議案，重新任命摩斯倫•馬賽會計師事務所為本公司來年度的核數師。

代表董事會

執行董事

**Kelvin Edward Flynn**

香港，二零零五年四月二十五日