

Report of the Directors

董事報告

The directors present their annual report together with the audited financial statements of the Group for the year ended 31 December 2006.

董事謹此提呈截至二零零六年十二月三十一日止年度之年報及經審核財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and manufacturing of toy, gift and premium. During the year, the Group discontinued its operation in consumer products trading and manufacturing.

主要業務

本公司乃一間投資控股公司，其附屬公司主要從事玩具、贈品及精品買賣及製造。於本年度，本集團終止其於消費產品買賣及製造之業務。

Details of the activities of the subsidiaries are set out in note 39 to the financial statements.

各附屬公司之詳情載於財務報表附註39。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 29.

業績及分配

本集團截至二零零六年十二月三十一日止年度之業績載於第29頁之綜合收益表。

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

董事不建議派付本年度股息。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於財務報表附註16。

SHARE CAPITAL

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

股本

年內本公司股本變動詳情載於財務報表附註26。

Report of the Directors

董事報告

RESERVES

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 34 and note 27 to the financial statements respectively.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders as at 31 December 2006 amounted to HK\$227,000 (2005: HK\$18,392,000).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has 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.

儲備

本集團及本公司年內儲備之變動分別載於第34頁之綜合權益變動表及財務報表附註27。

根據百慕達1981年公司法(經修訂)，實繳盈餘可作分派用途。然而，本公司在下列情況下不可從實繳盈餘中宣派或派發股息，或撥出款項分派：

- (a) 本公司當時或於派發後未能償還到期債務；或
- (b) 本公司資產之可變現價值將因派發而少於負債、已發行股本以及股份溢價賬之總和。

本公司於二零零六年十二月三十一日可分派予股東之儲備達港幣227,000元(二零零五年：港幣18,392,000元)。

購買、出售及贖回本公司之上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

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。

Report of the Directors

DIRECTORS

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

Executive Directors

Mr. Leung Wai Ho (Chairman)
Mr. Wong Chung Shun (Deputy Chairman)
Mr. Ha Kee Choy, Eugene

Independent Non-executive Directors

Mr. Chui Chi Yun, Robert
Mr. Lam Kwok Cheong
Mr. Lai Wing Leung, Peter

In accordance with bye-law 99 of the Company's bye-laws, Mr. Lam Kwok Cheong and Mr. Lai Wing Leung, Peter will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The non-executive directors are subject to retirement by rotation in accordance with the bye-laws of the Company.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive directors are independent.

董事報告

董事

本公司年內及直至本報告日期止之董事如下：

執行董事：

梁蔚豪先生(主席)
黃仲遜先生(副主席)
夏其才先生

獨立非執行董事：

崔志仁先生
林國昌先生
黎永良先生

根據本公司細則第99條，林國昌先生與黎永良先生將於應屆股東週年大會上輪席告退，彼等合資格並願意於應屆股東週年大會上膺選連任。

擬在應屆股東週年大會膺選連任之董事概無訂有本集團於一年不作賠償(法定賠償除外)。

根據本公司細則，各非執行董事須輪值告退。

本公司已收到各獨立非執行董事根據上市規則第3.13條之規定向本公司發出之週年獨立性確認函。本公司認為各獨立非執行董事皆屬獨立人士。

DIRECTORS' INTEREST IN SECURITIES

As at 31 December 2006, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company (the "Shares")

董事之證券權益

於二零零六年十二月三十一日本公司董事、行政總裁及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證之權益及短倉如下：

於本公司每股面值港幣0.01元之普通股(「股份」)中持有之好倉：

Name of Director	Number of Shares held by			Percentage of issued share capital of issued share capital of the Company
	Beneficial owner	Controlled corporation	Total	
董事姓名	實益擁有人	受控制法團	總計	佔本公司已發行股本百分比
Leung Wai Ho ("Mr. Leung")	22,500,000 (Note 3)	330,560,000 (Notes 1, 3)	353,060,000 (Note 3)	18.1%
梁蔚豪(「梁先生」)	(附註3)	(附註1, 3)	(附註3)	
Wong Chung Shun ("Mr. Wong")	22,500,000 (Note 3)	330,560,000 (Notes 2, 3)	353,060,000 (Note 3)	18.1%
黃仲遜(「黃先生」)	(附註3)	(附註2, 3)	(附註3)	

Notes:

1. The Shares were held by Charm Management Limited, a wholly-owned subsidiary of New Spread Investments Limited. Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited. As Mr. Leung owns the entire interest in Excel Advance Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 Shares held by Charm Management Limited.

附註：

1. 該等股份由New Spread Investments Limited之全資附屬公司Charm Management Limited持有。Excel Advance Holdings Limited、Good Achieve Holdings Limited及Grand Achieve Group Limited各佔New Spread Investments Limited已發行股本之三分之一權益。由於梁先生擁有Excel Advance Holdings Limited之全部權益，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330,560,000股股份中佔有權益。

Report of the Directors

董事報告

2. As Mr. Wong owns the entire interest in Good Achieve Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 Shares held by Charm Management Limited.
3. Pursuant to an ordinary resolution passed at a special general meeting of the Company on 5 March 2007, shares of the Company were consolidated on the basis of every five shares of HK\$0.01 each into two consolidated shares of HK\$0.025 each with effective from 6 March 2007 (the "Share Consolidation"). The number of consolidated shares held by Mr. Leung, Mr. Wong and Charm Management Limited would be 9,000,000, 9,000,000 and 132,224,000 respectively after the Share Consolidation.

Save as disclosed above, as at 31 December 2006, none of the directors or chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of 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.

2. 由於黃先生擁有 Good Achieve Holdings Limited 之全部權益，另擁有 Grand Achieve Group Limited 已發行股本之 50%，黃先生因此被視作於 Charm Management Limited 持有之 330,560,000 股股份佔有權益。
3. 根據二零零七年三月五日於本公司股東特別大會上通過之普通決議案，本公司實行股份合併，基準為每五股每股面值港幣 0.01 元之股份合併為兩股每股面值港幣 0.025 元之經合併股份（「股份合併」）。於股份合併後，梁先生、黃先生及 Charm Management Limited 所持有經合併股份數目將分別為 9,000,000 股、9,000,000 股及 132,224,000 股。

除上文所披露者外，於二零零六年十二月三十一日，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，概無本公司董事、行政總裁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、相關股份或債權證中擁有任何權益或淡倉。

Report of the Directors

董事報告

SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 30 to the financial statements.

Movements in the share option of the Company during the year were as follows:

購股權

本公司之購股權計劃詳情載於財務報表附註30。

年內本公司之購股權變動如下：

Name of Director 董事姓名	Exercisable Period 行使期	Exercise Price 行使價 HK\$ 港幣	Number of share options 購股權數目				Balance as at 31.12.2006 於二零零六年 十二月三十一日 之結餘
			Balance as at 1.1.2006 於二零零六年 一月一日之結餘	Granted during the year 年內授出	Lapsed during the year 年內失效	Exercised during the year 年內行使	
Leung Wai Ho 梁蔚豪	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)	—	—
Wong Chung Shun 黃仲遜	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)	—	—
Employees 僱員	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	51,141,600	—	(51,141,600)	—	—
	16 November 2006 to 15 November 2008 二零零六年十一月十六日至二零零八年十一月十五日	0.0490	—	37,570,800	—	(37,570,800)	—
Total for employees 僱員總計			51,141,600	37,570,800	(51,141,600)	(37,570,800)	—
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)	—	—
	16 November 2006 to 15 November 2008 二零零六年十一月十六日至二零零八年十一月十五日	0.0490	—	37,570,800	—	(37,570,800)	—
Total for others 其他總計			43,470,360	37,570,800	(43,470,360)	(37,570,800)	—
Grant Total 總額			102,283,200	75,141,600	(102,283,200)	(75,141,600)	—

Report of the Directors

董事報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as the share options disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture 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 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.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Interests of the directors in competing businesses to the Group as at 31 December 2006 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

購買股份或債權證之安排

除上文披露之購股權外，於本年度任何時間，本公司或其任何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利益之重大合約。

董事於競爭業務之權益

於二零零六年十二月三十一日，董事須根據上市規則第8.10條披露彼等於本集團的競爭業務之權益如下：

Name of Director 董事姓名	Name of entity 公司名稱	Nature of competing business 競爭業務性質	Nature of interest 權益性質
Leung Wai Ho 梁蔚豪	General Fast Trading Limited 真樂發貿易有限公司	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder 董事及股東
	United Force Overseas Company Limited 科時貿易有限公司	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder 董事及股東
Wong Chung Shun 黃仲遜	General Fast Trading Limited 真樂發貿易有限公司	Trading of toys and electronic products 玩具及電子產品貿易	Director and shareholder 董事及股東
	United Force Overseas Company Limited 科時貿易有限公司	Manufacturing of toys and electronic products 玩具及電子產品製造	Director and shareholder 董事及股東

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

除上文披露者外，概無董事於可與或應會與本集團業務構成直接或間接競爭之任何業務中擁有權益。

Report of the Directors

董事報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, the interest and short positions of those persons (other than the directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company (the "Shares")

主要股東

於二零零六年十二月三十一日，按本公司根據證券及期貨條例第336條存置之名冊記錄，以下人士(本公司董事或行政總裁除外)於本公司之股份及相關股份之權益及淡倉如下：

於本公司每股面值港幣0.01元之普通股(「股份」)中持有之好倉：

Name of shareholder	股東姓名	Note	Number of Shares held 所持股份數目		Percentage of issued share capital 佔本公司已發行 股本之百分比
			Direct interest 直接權益	Deemed interest 視作權益	
Charm Management Limited	Charm Management Limited	1	330,560,000	—	16.9%
New Spread Investments Limited	New Spread Investments Limited	1	—	330,560,000	16.9%
Excel Advance Holdings Limited	Excel Advance Holdings Limited	1	—	330,560,000	16.9%
Good Achieve Holdings Limited	Good Achieve Holdings Limited	1	—	330,560,000	16.9%
Grand Achieve Group Limited	Grand Achieve Group Limited	1	—	330,560,000	16.9%
Tokyo Unique (Hongkong) Limited	東京唯一(香港)有限公司	2	194,800,00	—	10.0%
Tokyo Unique Co., Ltd.	Tokyo Unique Co., Ltd.	2	—	194,800,000	10.0%
Takeaki Maeda	Takeaki Maeda	2	—	194,800,000	10.0%

Notes:

1. Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited, which in turn owns the entire interest in Charm Management Limited. Therefore, each of Excel Advance Holdings Limited, Good Achieve Holdings Limited, Grand Achieve Group Limited and New Spread Investments Limited is deemed to be interested in 330,560,000 Shares. Upon the Share Consolidation (as described in note 3 of the section "Directors' Interest in Securities" above) became effective, the 330,560,000 Shares were consolidated into 132,224,000 consolidated shares of HK\$0.025 each.

附註：

1. Excel Advance Holdings Limited、Good Achieve Holdings Limited及Grand Achieve Group Limited各自持有New Spread Investments Limited之三份一已發行股本，而New Spread Investments Limited則全資擁有Charm Management Limited，因此Excel Advance Holdings Limited、Good Achieve Holdings Limited、Grand Achieve Group Limited及New Spread Investments Limited均被視為於330,560,000股股份中擁有權益。股份合併(如上文「董事之證券權益」一節附註3所述)生效時，該330,560,000股股份合併為132,224,000股每股面值港幣0.025元之經合併股份。

Report of the Directors

2. Tokyo Unique (Hongkong) Limited is owned as to 67% by Tokyo Unique Co., Ltd., which in turn is controlled by Mr. Takeaki Maeda. Thus, both Tokyo Unique Co., Ltd. and Mr. Takeaki Maeda are deemed to be interested in 194,800,000 Shares. Upon the Share Consolidation became effective, the 194,800,000 Shares were consolidated into 77,920,000 consolidated shares of HK\$0.025 each.

Save as disclosed above, as at 31 December 2006, the Company has not been notified of any interests or short positions in the shares or underlying shares of the Company representing five percent or more in the issued share capital of the Company and recorded in the register required to be kept by the Company under Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases for the year of the Group attributable to the largest supplier and the five largest suppliers combined are 16% and 47% respectively.

The percentage of turnover for the year of the Group attributable to the largest customer and the five largest customers combined are 23% and 64% respectively.

None of the directors, their associates or shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had any interest in the five major suppliers or customers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the director as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 37 to the financial statements.

董事報告

2. 東京唯一(香港)有限公司由Takeaki Maeda先生控制之Tokyo Unique Co., Ltd.擁有67%權益，因此Tokyo Unique Co., Ltd.與Takeaki Maeda先生均被視為於194,800,000股股份中擁有權益。股份合併生效時，該194,800,000股股份合併為77,920,000股每股面值港幣0.025元之經合併股份。

除上文披露之權益外，於二零零六年十二月三十一日，本公司並無獲通知有任何人士於本公司股份或相關股份中擁有相當於本公司已發行股本5%或以上之權益或淡倉而記錄於本公司根據證券及期貨條例第336條須存置之登記冊。

主要客戶及供應商

本集團最大供應商及五大供應商分別佔本集團本年度總採購額16%及47%。

本集團最大客戶及五大客戶分別佔本集團本年度總營業額23%及64%。

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，概無在本集團五大供應商及五大客戶擁有任何權益。

充足公眾持股量

根據本公司所知之公開資料及就董事於本報告刊行前之最後可行日期所知，本公司一直維持上市規則規定之充足公眾持股量。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註37。

Report of the Directors

董事報告

AUDITORS

During the year, Messrs. Deloitte Touche Tohmatsu resigned and Messrs. Moores Rowland Mazars were appointed as the auditors of the Company.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Moores Rowland Mazars as auditors of the Company.

On behalf of the Board

Leung Wai Ho

Chairman

Hong Kong, 23 April 2007

核數師

年內，德勤•關黃陳方會計師行辭任而摩斯倫•馬賽會計師事務所獲本公司委任為核數師。

本公司將於應屆股東週年大會上提呈決議案，續聘摩斯倫•馬賽會計師事務所為本公司核數師。

董事會代表

主席

梁蔚豪

香港，二零零七年四月二十三日