

REPORT OF
THE DIRECTORS
董事會報告書



The Directors submit their report together with the audited accounts for the year ended 30th June 2004.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 25 to the accounts.

An analysis of the Group's performance for the year by geographical segment is set out in note 2 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 33.

The Directors have declared an interim dividend of HK1.0 cent per ordinary share, totalling HK\$3,000,000, which was paid on 16th April 2004.

The Directors recommend the payment of a final dividend of HK2.0 cents per ordinary share, totalling HK\$6,000,000.



董事會謹此提呈截至二零零四年六月三十日止年度之報告書及經審核賬目。

主要業務及按地區劃分之經營表現

本公司之主要業務為投資控股，其主要附屬公司之主要業務則載於賬目附註25。

本集團按地區劃分之經營表現分析載於賬目附註2。

業績及分配

本年度業績載於第33頁之綜合損益表。

董事會已於二零零四年四月十六日派發中期股息每股1.0港仙，合共3,000,000港元。

董事會建議派發末期股息每股2.0港仙，合共6,000,000港元。



RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 17 to the accounts.

FIXED ASSETS

The Company did not own any fixed assets during the year.

Details of the movements in fixed assets of the Group during the year are set out in note 11 to the accounts.

DISTRIBUTABLE RESERVES

At 30th June 2004, the reserves of the Company available for distribution, comprising the contributed surplus and retained earnings, amounted to approximately HK\$69,842,000 (2003: HK\$77,705,000).

Under The Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; (ii) 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 account.

FIVE-YEAR FINANCIAL 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 page 78.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and there are no restrictions against such rights under the laws in Bermuda.

儲備

本集團及本公司年內儲備之變動詳情載於賬目附註17。

固定資產

本公司於本年度並無擁有任何固定資產。

本集團於本年度固定資產之變動載於賬目附註11。

可供分派儲備

於二零零四年六月三十日，本公司可供分派之儲備（包括實繳盈餘及保留溢利）約為69,842,000港元（二零零三年：77,705,000港元）。

根據百慕達一九八一年公司法（經修訂），倘有合理理由相信(i)公司於派付股息或作出任何分派後未能或無法清償其到期之負債；或(ii)公司資產之可變現價值會將因而低於其負債及其已發行股本與股份溢價之總值，則該公司不得宣派或派付股息或從實繳盈餘中作出分派。

五年財務概要

本集團於過去五個財政年度之業績、資產及負債載於第78頁。

優先購股權

本公司之公司細則並無關於優先購股權之規定，而百慕達法例亦無對該等權利作出任何限制。

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

SHARE OPTIONS

On 5th December 2002, the Company has adopted a new share option scheme (the "New Scheme") and terminated the old share option scheme. Under the terms of the New Scheme, the Directors may, at their discretion, invite Directors and employees of the Group to take up options (the "Share Options") to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

Details of the New Scheme are as follows:

(i) Purpose

The New Scheme is designed to give Directors and employees of the Company or any of its subsidiaries an equity interest in the Company in order to enhance long-term shareholder value. The granting of Share Options will also help the Company to attract and motivate individuals with experience and ability and to reward individuals for past and future performance.

(ii) Qualifying participants

Any employee including any Director of the Company or any of its subsidiaries.

(iii) Maximum number of shares

The maximum number of shares subject to the New Scheme must not when aggregated with any shares subject to any other share option schemes exceed 10% of the shares in issue from time to time (excluding any shares which have been duly allotted and issued upon the exercise of the Share Options granted pursuant to the New Scheme and any other schemes). The total number of shares available for issue under the New Scheme as at the date of the annual report is 30,000,000, which is 10% of the issued share capital of the Company as of that date.

購買、出售及贖回本公司之上市證券

本公司於本年度並無贖回其股票。本公司或其任何附屬公司於本年度亦無購買或出售本公司之上市證券。

購股權

本公司之股東於二零零二年十二月五日採納了新購股權計劃（「新購股權計劃」），並同時取消了舊購股權計劃。根據新購股權計劃之條款及條件，董事會可酌情邀請本集團之董事及僱員接納可認購本公司股份之購股權（「購股權」）。

新購股權計劃詳情如下：

(i) 目的

新購股權計劃旨在向本公司或其附屬公司之董事及僱員授予權益，使本公司能吸納及激勵經驗豐富之人才，並獎勵過往及日後有所表現之人士，從而長遠增加股東價值。

(ii) 合資格參與者

本公司或其附屬公司之任何僱員（包括任何董事）。

(iii) 股份最高數目

根據新購股權計劃可能予以發行之股份總數，當計及根據任何其他購股權計劃可能予以發行之股份時，不得超過不時已發行股份之百分之十（不包括因行使新購股權計劃及任何其他計劃正式獲配發及發行之任何股份）。於本年報刊發日期，根據新購股權計劃可供發行之股份總數為30,000,000股，相當於當日本公司已發行股本百分之十。

SHARE OPTIONS (Cont'd)

(iii) *Maximum number of shares* (Cont'd)

The maximum entitlement for any one qualifying participant is that the total number of shares issued and to be issued upon exercise of the Share Options granted to each qualifying participant under the New Scheme and any other option schemes (including exercised and outstanding Share Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

(iv) *Option period*

In respect of any particular Share Option, such period the Board of Directors may in its absolute discretion determine, save that such period shall not expire more than 10 years from the date on which a Share Option is granted and accepted by the grantee.

(v) *Amount payable on application or acceptance*

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date of grant. An offer of the grant of the Share Option shall be deemed to have been accepted and to have taken effect when a letter comprising acceptance of the Share Option duly signed by the grantee is received by the Company.

(vi) *Exercise price*

The exercise price in respect of any particular option shall be (i) the closing price of the shares of the Company as stated in The Stock Exchange of Hong Kong Limited's (the "Stock Exchange") daily quotations sheet on the date of grant, (ii) the average price of the shares for the five business days immediately preceding the date of grant or (iii) the nominal value of the share (whichever is the greater).

購股權(續)

(iii) *股份最高數目*(續)

於任何十二個月內，每名合資格參與者根據新購股權計劃及任何其他購股權計劃行使所獲之購股權(包括已行使及尚未行使之購股權)而獲發行及將獲發行之股份總數，不得超過已發行股份總數之百分之一。

(iv) *購股權期限*

就任何特定購股權而言，董事會可以其絕對酌情權釐定該期限，惟該期限由開始日期起計不超過十年。開始日期被視為於該購股權授出予承授人及承授人接納購股權之日起計生效。

(v) *於申請或接納時須繳付之金額*

授出購股權之邀約由授出日期起計二十八日之期間內仍可供接納。當本公司接獲由承授人正式簽署接納購股權之函件副本，授出購股權之邀約已被視為已獲接納。

(vi) *認購價*

就任何特定購股權而言，認購價不可低於下列三者之較高者：(i)於授出日期當日按香港聯合交易所有限公司「聯交所」的收市價，(ii)緊接授出日期之前五個交易日之平均收市價或(iii)股份之面值。

SHARE OPTIONS (Cont'd)

(vii) *The remaining life of the New Scheme*

The Board of Directors shall be entitled at any time within 10 years between 5th December 2002 and 4th December 2012 to offer the grant of an option to any qualifying participants.

Details of the movements of Share Options granted under the New Scheme during the year and outstanding as at 30th June 2004 are as follows:

購股權(續)

(vii) *新購股權計劃之剩餘期限*

董事會有權於二零零二年十二月五日至二零一二年十二月四日十年內隨時向任何合資格參與者授出購股權。

根據新購股權計劃授出之購股權於二零零四年六月三十日及年內之變動如下：

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Executive Directors							
執行董事							
Mr HUI Sai Chung 許世聰先生	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Mr HUI Kwok Kwong 許國光先生	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Executive Directors (Cont'd) 執行董事(續)							
Dr WONG Chi Ying, Anthony 黃子鑾博士	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Mr LAI Kam Wah 黎錦華先生	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Executive Directors (Cont'd) 執行董事(續)							
Mr CHING Yu Lung 程如龍先生	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Madam LIU Sau Lai 廖秀麗女士	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Other continuous contract employees 連續性合約僱員	30th April 2003 二零零三年四月三十日	30th April 2004 to 29th April 2009 二零零四年四月三十日至 二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	30th April 2003 二零零三年四月三十日	30th April 2005 to 29th April 2009 二零零五年四月三十日至 二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	30th April 2003 二零零三年四月三十日	30th April 2006 to 29th April 2009 二零零六年四月三十日至 二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
				25,500,000	—	—	25,500,000

No options were granted, exercised or cancelled during the year.

於年內沒有授出、行使或取消購股權。

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 30th June 2004 are set out in note 25 to the accounts.

INTEREST CAPITALISED

No interest has been capitalised by the Group during the year.

DIRECTORS

The Directors during the year were:

Mr HUI Sai Chung (*Chairman*)

Mr HUI Kwok Kwong (*Deputy Chairman and Managing Director*)

Dr WONG Chi Ying, Anthony

Mr LAI Kam Wah

Mr CHING Yu Lung

Madam LIU Sau Lai

Mr HO Wai Chi, Paul *

Mr FONG Pong Hing *

(appointed on 13th October 2003)

Mr CHAN Dit Lung *

(appointed on 28th September 2004)

Dr LAM Kwok Kin, Joseph *

(resigned on 13th October 2003)

* *Independent Non-executive Directors*

Save for the Chairman and the Managing Director, all of the Directors are subject to retirement by rotation in accordance with the Company's Bye-laws.

Mr LAI Kam Wah, Dr WONG Chi Ying, Anthony and Mr CHAN Dit Lung retire by rotation in accordance with clauses 86 and 87 of the Company's Bye-laws and, being eligible, offer themselves for re-election.

The Independent Non-executive Directors have been appointed for a term subject to retirement by rotation in accordance with the Company's Bye-laws.

附屬公司

有關本公司之主要附屬公司於二零零四年六月三十日之詳情載於賬目附註25。

撥作資本之利息

本集團於本年度沒有利息撥作資本。

董事

本年度在任之董事如下：

許世聰先生 (*主席*)

許國光先生 (*副主席兼董事總經理*)

黃子鑾博士

黎錦華先生

程如龍先生

廖秀麗女士

何偉志先生 *

方邦興先生 *

(於二零零三年十月十三日獲委任)

陳秩龍先生 *

(於二零零四年九月二十八日獲委任)

林國堅博士 *

(於二零零三年十月十三日辭任)

* *獨立非執行董事*

根據本公司之公司細則，除主席及董事總經理外，所有董事均須輪值告退。

根據本公司之公司細則第86及87條，黎錦華先生、黃子鑾博士及陳秩龍先生須輪流告退，惟符合資格並願意膺選連任。

獨立非執行董事乃根據本公司之公司細則獲委任，惟彼等須輪值告退。

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its holding company or 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' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30th June 2004, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified the Company were as follows:

(i) ordinary shares of HK\$0.10 each in the Company

Name of Directors 董事姓名	Number of shares of the Company beneficially held 實益持有之本公司股份數目			
	Personal interests 個人權益	Corporate interests 法團權益	Family interests 家屬權益	Other interests 其他權益
Mr HUI Sai Chung 許世聰先生	Long positions 權益 11,970,000	158,000,000 (a)	—	—
Mr HUI Kwok Kwong 許國光先生	Long positions 權益 11,716,000	154,735,000 (b)	—	—
Madam LIU Sau Lai 廖秀麗女士	Long positions 權益 1,102,500	—	—	(c)

董事之服務合約

有意於應屆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僱主不可於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

董事於合約之權益

本公司、其控股公司或其附屬公司並無參與訂立與本集團業務有關並於本年度結束時或本年度內任何時間仍然生效且本公司董事直接或間接擁有重大權益之重要合約。

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉

於二零零四年六月三十日，本公司各董事、最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券期貨條例」))須向本公司申報之權益或已登記於根據證券期貨條例第352條存置之名冊之股份、相關股份及債券之權益及淡倉如下：

(i) 本公司每股面值0.10港元之普通股

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

(ii) derivative to ordinary shares of HK\$0.10 each in the Company

(ii) 本公司每股面值0.10港元之普通股衍生工具

**Unlisted Share Options
(physically settled equity derivatives)**

As at 30th June 2004

非上市購股權

(實質結算之股票衍生工具)

於二零零四年六月三十日

Name of Directors

董事姓名

Mr HUI Sai Chung	許世聰先生	Long positions 權益	3,000,000
Mr HUI Kwok Kwong	許國光先生	Long positions 權益	3,000,000
Dr WONG Chi Ying, Anthony	黃子鑾博士	Long positions 權益	3,000,000
Mr LAI Kam Wah	黎錦華先生	Long positions 權益	3,000,000
Mr CHING Yu Lung	程如龍先生	Long positions 權益	3,000,000
Madam LIU Sau Lai	廖秀麗女士	Long positions 權益	3,000,000

Notes:

附註：

(a) 153,000,000 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (c)). In addition, 5,000,000 shares are held by Ever Win directly.

(a) 該等股份中之153,000,000股乃由Good Benefit Limited(「Good Benefit」)持有。Ever Win Limited(「Ever Win」)持有Good Benefit百分之四十五點一權益(附註(c))。此外，5,000,000股股份由Ever Win直接持有。

50,000 ordinary shares of one Canadian dollar each in Ever Win are held by a trustee on behalf of a discretionary trust, the discretionary objects of which include Mr HUI Sai Chung and his family members. Mr HUI Sai Chung and his spouse further own 30,834 and 5 class A non-convertible redeemable preferred shares of no par value in Ever Win respectively.

Ever Win每股面值1加元之普通股份50,000股由一名信託人代表一項全權信託基金持有，該全權信託基金之受益人包括許世聰先生及其家族成員。許世聰先生及其配偶另分別擁有Ever Win A級無面值不可兌換可贖回優先股30,834股及5股。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

- (b) 153,000,000 of these shares are held by Good Benefit, a company in which Evergrow Company Limited ("Evergrow") holds a 45.1% interest (note (c)). In addition, 1,735,000 shares are held by Evergrow directly.

50,000 ordinary shares of one Canadian dollar each in Evergrow are held by a trustee on behalf of a discretionary trust, the discretionary objects of which include Mr HUI Kwok Kwong and his family members. Mr HUI Kwok Kwong further owns 30,823 class A non-convertible redeemable preferred shares of no par value in Evergrow.

- (c) The beneficial interests of the Directors in the share capital of Good Benefit, which held 153,000,000 shares of the Company as at 30th June 2004, are as follows:

- (b) 該等股份中之153,000,000股乃由Good Benefit持有。Evergrow Company Limited(「Evergrow」)持有 Good Benefit 百分之四十五點一權益(附註(c))。此外，1,735,000股股份由 Evergrow直接持有。

Evergrow每股面值1加元之普通股股份50,000股由一名信託人代表一項全權信託基金持有，該全權信託基金之受益人包括許國光先生及其家族成員。許國光先生另擁有Evergrow A級無面值不可兌換可贖回優先股30,823股。

- (c) 董事在Good Benefit(於二零零四年六月三十日持有本公司153,000,000股股份)股本之實益權益如下：

Name of Directors 董事姓名		Number of shares 股份數目	Percentage of holding 持股百分比
Mr HUI Sai Chung	許世聰先生	4,510	45.1%
Mr HUI Kwok Kwong	許國光先生	4,510	45.1%
Madam LIU Sau Lai	廖秀麗女士	80	0.8%
Others	其他	900	9.0%
		10,000	100.0%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

At 30th June 2004, the following Directors owned interests in non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited, which are subject to an option granted to Ngai Hing (International) Company Limited to acquire the said non-voting deferred shares.

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

於二零零四年六月三十日，下列董事擁有毅興塑膠原料有限公司無投票權遞延股份權益，而該公司並已授予 Ngai Hing (International) Company Limited 可購買上述無投票權遞延股份之購股權。

Name of Directors 董事姓名		Number of non-voting deferred shares held 持有無投票權遞延股份數目	
		Personal interests 個人權益	Other interests 其他權益
Mr HUI Sai Chung	許世聰先生	200,000	50,000 (i)
Mr HUI Kwok Kwong	許國光先生	200,000	50,000 (ii)

Notes:

(i) These shares are held by Ever Win.

(ii) These shares are held by Evergrow.

附註：

(i) 該等股份由Ever Win持有。

(ii) 該等股份由Evergrow持有。

Save as disclosed above and other than certain nominee shares in the subsidiaries of the Company held by certain Directors of the Company in trust for the Group as at 30th June 2004, none of the Directors and chief executives have any beneficial or non-beneficial interests in the share capital of the Company and associated corporations required to be disclosed pursuant to the SFO.

除上文所披露及本公司若干董事以信託方式代本集團持有本公司若干附屬公司代理人股份外，於二零零四年六月三十日，各董事及最高行政人員於本公司及相聯法團之股本中概無擁有任何根據證券期貨條例須予披露之實益或非實益權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

Save as disclosed under the section headed by "Share Options" above,

- (a) 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; and
- (b) none of the Directors, chief executives, their spouses or children under the age of 18 had been granted any right to subscribe for shares in or debentures of the Company, or exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30th June 2004, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the Directors and chief executives as disclosed above.

MANAGEMENT CONTRACTS

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

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

除上述「購股權」一段所列外：

- (a) 於本年度任何時間內，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排，致使本公司董事或最高行政人員可藉購買本公司或任何其他法人團體之股份或債券而獲益；及
- (b) 各董事、最高行政人員、其配偶或十八歲以下之子女概無獲授予可認購本公司股份或債券之權利，或已行使此等權利。

主要股東於本公司股本之權益及淡倉

除上文所披露有關董事之權益外，根據本公司按證券期貨條例第336條而存置之主要股東名冊所顯示，本公司概無接獲任何人士於二零零四年六月三十日擁有本公司已發行股本百分之五或以上權益及淡倉之通知。

管理合約

年內並無訂立或存有任何有關本公司業務之全部或任何重要部分之管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

The largest supplier	19%
Five largest suppliers combined	52%

The aggregate percentage of sales attributable to the Group's five largest customers is less than 30% of the Group's total sales for the year ended 30th June 2004 and therefore no additional disclosure with regard to the major customers is made.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major suppliers noted above.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with Appendix 14 of the Listing Rules throughout the year ended 30th June 2004 except that the term of office for the Independent Non-executive Directors of the Company are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Company's Bye-laws. This does not comply with Paragraph 7 of the Code of Best Practice which suggests that Independent Non-executive Directors should be appointed for a specific term.

主要客戶及供應商

本集團之主要供應商所佔之採購額百分比如下：

最大供應商	19%
五名最大供應商合共	52%

本集團五大客戶於截至二零零四年六月三十日止年度應佔之總銷售額百分比少於本集團總銷售額百分之三十，故沒有額外披露該等主要客戶之資料。

於本年度任何時間內，概無董事、彼等之聯繫人士或股東（據董事所知擁有本公司百分之五以上之股本權益者）於上述主要供應商擁有任何權益。

遵守最佳應用守則

董事認為，除下列所述外，本公司於截至二零零四年六月三十日止年度內一直遵守上市規則附錄14之規定。根據本公司之公司細則，本公司獨立非執行董事須於股東週年大會上輪流告退及膺選連任，於此並無遵守最佳應用守則第7段獨立非執行董事須以固定任期委任之規定。

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board of Directors and the Company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of the external audit and of internal controls and risk evaluation. The Audit Committee comprises three independent non-executive Directors, namely, Mr HO Wai Chi, Paul, Mr FONG Pong Hing and Mr CHAN Dit Lung. Dr LAM Kwok Kin, Joseph, previously Independent Non-executive Director and a member of the Audit Committee, resigned on 13th October 2003 and was replaced by Mr FONG Pong Hing on the same date. Mr CHAN Dit Lung was appointed on 28th September 2004. Meetings of the Audit Committee will be held not less than twice a year and the Audit Committee met the Company's auditors in September 2004 to review the Group's results for the year before it was tabled for the approval of the Board of Directors.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

HUI Sai Chung

Chairman

Hong Kong,

13th October 2004

審核委員會

本公司已參照由香港會計師公會發出之「成立審核委員會指引」編製及採納列明審核委員會之職權及責任之職權範圍書。

審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會亦負責檢討公司內部與外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由三位獨立非執行董事何偉志先生、方邦興先生及陳秩龍先生組成。林國堅博士原為獨立非執行董事及審核委員會成員，於二零零三年十月十三日辭任及於同日由方邦興先生代替成為審核委員會成員。陳秩龍先生於二零零四年九月二十八日成為審核委員會成員。審核委員會每年會召開不少於兩次會議。本財政年度本集團之業績於提交董事會批准前，於二零零四年九月已經由審核委員會與公司核數師會面及檢討。

核數師

本賬目已由羅兵咸永道會計師事務所審核，該核數師任滿告退惟符合資格願意膺選連聘。

代表董事會

主席

許世聰

香港，

二零零四年十月十三日