

# Directors' Report 董事會報告

The directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2005.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of an associate, jointly controlled entities and principal subsidiaries of the Company are set out in notes 20, 24 and 42 respectively to the financial statements.

The Group maintains its head office in Hong Kong while its production facilities are located in other areas of the People's Republic of China (the "PRC") and Thailand.

## RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 52.

An interim dividend of HK12.0 cents per share was paid to the shareholders of the Company during the year. The directors now recommend the payment of a final dividend of HK28.0 cents per share to the shareholders on the register of members on 18 May 2006, and the retention of the remaining profit in the Company.

## SHARE CAPITAL

Details of the movements during the year in the issued share capital of the Company are set out in note 32 to the financial statements.

## RESERVES

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on pages 55 and 56.

In addition to the retained profits of the Company, the share premium and the special surplus account of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

董事會欣然提呈本集團截至二零零五年十二月三十一日止年度之年報及經審核綜合財務報表。

## 主要業務

本公司為投資控股公司，其聯營公司、共同控制實體及主要附屬公司之業務分別載於財務報表附註20、24及42。

本集團之總辦事處設於香港，而其生產設施則位於中華人民共和國（「中國」）及泰國境內。

## 業績及股息

本集團之本年度業績載於第52頁綜合收益表內。

年內，本公司已派付中期股息每股12.0港仙予本公司股東。董事現建議向於二零零六年五月十八日名列股東名冊之股東派付末期股息每股28.0港仙，並保留剩餘的溢利於本公司。

## 股本

本公司已發行股本於年內之變動詳情載於財務報表附註32。

## 儲備

年內，本集團之儲備變動詳情載於第55頁及56頁綜合權益變動表內。

除本公司之保留溢利外，本公司之股份溢價及特別盈餘賬目亦可向股東分派，惟於緊隨建議進行上述分派當日之後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

### RESERVES (continued)

At 31 December 2005, the sum of the retained profits, the share premium and the special surplus account of the Company amounted to approximately HK\$3,571 million.

### INVESTMENT PROPERTIES

The Group's investment properties were revalued as at 31 December 2005, resulting in an increase in fair value of approximately HK\$717,000 which has been credited to the consolidated income statement.

### OTHER PROPERTIES, PLANT AND EQUIPMENT

Expenditure of approximately HK\$1,966 million was incurred during the year primarily to expand the production capacity of the Group. Details of all the changes during the year are set out in note 17 to the financial statements.

### PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2005 are set out in note 42 to the financial statements.

### DONATIONS

During the year, the Group made charitable and other donations totalling approximately HK\$3,916,000.

### 儲備 (續)

於二零零五年十二月三十一日，本公司之保留溢利、股份溢價及特別盈餘賬目之總額約為3,571,000,000港元。

### 投資物業

本集團之投資物業於二零零五年十二月三十一日重新估值，導致公平值增加約717,000港元，已計入綜合收益表內。

### 其他物業、廠房及設備

年內主要因提高本集團生產力而引致約1,966,000,000港元之支出。年內所有變動詳情載於財務報表附註17。

### 主要附屬公司

本公司主要附屬公司於二零零五年十二月三十一日之詳情載於財務報表附註42。

### 捐款

年內，本集團作出之慈善及其他捐款共約3,916,000港元。

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

### Executive directors:

Mr. Cheung Kwok Wing (*Chairman*)  
Mr. Chan Wing Kwan (*Managing Director*)  
Mr. Lam Ka Po  
Mr. Cheung Kwok Keung  
Mr. Cheung Kwok Wa  
Mr. Cheung Kwong Kwan  
Mr. Cheung Kwok Ping  
Mr. Chang Wing Yiu  
Mr. Mok Cham Hung, Chadwick

### Non-executive director:

Mr. Lum Gum Wun  
(resigned on 9 February 2006)

### Independent non-executive directors:

Mr. Cheng Ming Fun, Paul  
Mr. Tse Kam Hung  
Mr. Henry Tan  
(appointed on 20 September 2005)  
Mr. Tsao Kwang Yung, Peter, CBE, CPM  
(deceased on 5 June 2005)

In accordance with Article 92 of the Company's Articles of Association, Messrs. Cheung Kwok Wing, Chan Wing Kwan, Cheung Kwok Ping, Cheung Kwok Keung and Chang Wing Yiu retire by rotation and, being eligible, will offer themselves for re-election.

In accordance with Article 84 of the Company's Articles of Association, Mr. Henry Tan retires and being eligible, will offer himself for re-election.

Biographical details of the directors subject to re-election are set out in the section "Directors' and Senior Management's Biographies" on pages 16 to 18.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

## 董事及董事之服務合約

年內及直至本報告日期止之本公司董事如下:

### 執行董事:

張國榮先生 (主席)  
陳永銀先生 (董事總經理)  
林家寶先生  
張國強先生  
張國華先生  
張廣軍先生  
張國平先生  
鄭永耀先生  
莫湛雄先生

### 非執行董事:

林根穩先生  
(於二零零六年二月九日辭任)

### 獨立非執行董事:

鄭明訓先生  
謝錦洪先生  
陳亨利先生  
(於二零零五年九月二十日獲委任)  
曹廣榮先生, CBE, CPM  
(於二零零五年六月五日辭世)

張國榮先生、陳永銀先生、張國平先生、張國強先生及鄭永耀先生將依據本公司之公司組織章程第九十二條輪值退任，惟彼等符合資格，並願意膺選連任。

陳亨利先生將依據本公司之公司組織章程第八十四條輪值退任，惟彼符合資格，並願意膺選連任。

須重選之董事之簡歷詳情載於第16頁至18頁之「董事及高級管理人員之資歷」一節。

各非執行董事之任期為至彼根據本公司之公司組織章程規定須輪值退任之日期止。

**DIRECTORS AND DIRECTORS' SERVICE CONTRACTS**

(continued)

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

**DIRECTORS' INTERESTS IN SHARES**

At 31 December 2005, the interests of the directors 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 ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

**Long position**

(a) Ordinary shares of HK\$0.10 each of the Company

**董事及董事之服務合約 (續)**

擬在應屆股東週年大會重選連任之董事概無與本集團訂有任何不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

**董事之股份權益**

於二零零五年十二月三十一日，董事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、相關股份及債券中，擁有本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

**長倉**

(a) 本公司每股面值0.10港元之普通股

Name of director	董事姓名	Capacity 權益性質	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	1,699,060	0.22
Mr. Chan Wing Kwan	陳永銀先生	Beneficial owner 實益擁有人	1,056,600	0.13
Mr. Lam Ka Po	林家寶先生	Beneficial owner 實益擁有人	286,800	0.04
Mr. Cheung Kwok Keung	張國強先生	Beneficial owner 實益擁有人	348,800	0.04
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	1,063,600	0.14
Mr. Cheung Kwong Kwan	張廣軍先生	Beneficial owner 實益擁有人	100,000	0.01

**DIRECTORS' INTERESTS IN SHARES** (continued)**Long position** (continued)

(a) Ordinary shares of HK\$0.10 each of the Company (continued)

**董事之股份權益** (續)**長倉** (續)

(a) 本公司每股面值0.10港元之普通股(續)

Name of director	董事姓名	Capacity 權益性質	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Cheung Kwok Ping	張國平先生	Beneficial owner 實益擁有人	1,427,300	0.18
Mr. Chang Wing Yiu	鄭永耀先生	Beneficial owner 實益擁有人	1,897,100	0.24
Mr. Mok Cham Hung, Chadwick	莫湛雄先生	Beneficial owner 實益擁有人	600,000	0.08
Mr. Cheng Ming Fun, Paul	鄭明訓先生	Beneficial owner 實益擁有人	50,000	0.01
Mr. Lum Gum Wun (Note 1)	林根穩先生(附註1)	Beneficial owner 實益擁有人	1,806,400	0.23

(b) Share options

(b) 優先購股權

Name of director	董事姓名	Capacity 權益性質	Interest in underlying shares pursuant to share options 優先購股權 項下相關股份權益
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	2,091,400
Mr. Chan Wing Kwan	陳永鋌先生	Beneficial owner 實益擁有人	3,499,200
Mr. Lam Ka Po	林家寶先生	Beneficial owner 實益擁有人	4,032,200
Mr. Cheung Kwok Keung	張國強先生	Beneficial owner 實益擁有人	4,032,200
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	3,781,200
Mr. Cheung Kwong Kwan	張廣軍先生	Beneficial owner 實益擁有人	3,892,200
Mr. Cheung Kwok Ping	張國平先生	Beneficial owner 實益擁有人	3,836,200
Mr. Chang Wing Yiu	鄭永耀先生	Beneficial owner 實益擁有人	4,116,200
			29,280,800

**DIRECTORS' INTERESTS IN SHARES** (continued)

**Long position** (continued)

(c) Warrants

**董事之股份權益** (續)

**長倉** (續)

(c) 認股權證

<b>Name of director</b>	<b>董事姓名</b>	<b>Capacity</b> <b>權益性質</b>	<b>Number of</b> <b>underlying shares</b> <b>pursuant to</b> <b>warrants held</b> <b>所持認股權證相關股份數目</b>
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	371,506
Mr. Chan Wing Kwan	陳永鋌先生	Beneficial owner 實益擁有人	210,840
Mr. Lam Ka Po	林家寶先生	Beneficial owner 實益擁有人	70,052
Mr. Cheung Kwok Keung	張國強先生	Beneficial owner 實益擁有人	117,370
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	194,920
Mr. Cheung Kwong Kwan	張廣軍先生	Beneficial owner 實益擁有人	102,662
Mr. Cheung Kwok Ping	張國平先生	Beneficial owner 實益擁有人	201,526
Mr. Chang Wing Yiu	鄭永耀先生	Beneficial owner 實益擁有人	550,950
Mr. Mok Cham Hung, Chadwick	莫湛雄先生	Beneficial owner 實益擁有人	60,000
Mr. Lum Gum Wun (Note 1)	林根穩先生 (附註1)	Beneficial owner 實益擁有人	206,840
			2,086,666

**DIRECTORS' INTERESTS IN SHARES** (continued)**董事之股份權益** (續)**Long position** (continued)**長倉** (續)

(d) Non-voting deferred shares of HK\$1 each of Kingboard Laminates Limited, a wholly-owned subsidiary of the Company

(d) 本公司全資附屬公司建滔積層板有限公司每股面值1港元之無投票權遞延股份

Name of director	董事姓名	Capacity 權益性質	Number of shares held 所持股份數目
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	1,904,400
Mr. Chan Wing Kwan	陳永銀先生	Beneficial owner 實益擁有人	1,481,200
Mr. Lam Ka Po	林家寶先生	Beneficial owner 實益擁有人	581,900
Mr. Cheung Kwok Keung	張國強先生	Beneficial owner 實益擁有人	529,000
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	1,058,000
Mr. Cheung Kwong Kwan	張廣軍先生	Beneficial owner 實益擁有人	846,400
Mr. Cheung Kwok Ping	張國平先生	Beneficial owner 實益擁有人	952,200
Mr. Chang Wing Yiu	鄭永耀先生	Beneficial owner 實益擁有人	423,200
Mr. Lum Gum Wun (Note 1)	林根穩先生 (附註1)	Beneficial owner 實益擁有人	1,058,000

(e) Ordinary shares of S\$0.80 each of Elec & Eltek International Company Limited ("EEIC"), a 70.19% owned subsidiary of the Company

(e) 本公司擁有70.19%權益之附屬公司依利安達集團有限公司(「EEIC」)每股面值0.80新加坡元之普通股

Name of director	董事姓名	Capacity 權益性質	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of EEIC 佔EEIC已發行股本百分比
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	177,600	0.10
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	194,400	0.11
Mr. Mok Cham Hung, Chadwick	莫湛雄先生	Beneficial owner 實益擁有人	74,000	0.04

**DIRECTORS' INTERESTS IN SHARES** (continued)

**Long position** (continued)

(f) Share options of EEIC

**董事之股份權益** (續)

**長倉** (續)

(f) EEIC優先購股權

Name of director	董事姓名	Capacity 權益性質	Interest in underlying shares pursuant to share options 優先購股權項下 相關股份權益 (Note 2) (附註2)
Mr. Cheung Kwok Wing	張國榮先生	Beneficial owner 實益擁有人	973,200
Mr. Chan Wing Kwan	陳永鋌先生	Beneficial owner 實益擁有人	973,200
Mr. Cheung Kwok Wa	張國華先生	Beneficial owner 實益擁有人	973,200
Mr. Chang Wing Yiu	鄭永耀先生	Beneficial owner 實益擁有人	973,200
Mr. Mok Cham Hung, Chadwick	莫湛雄先生	Beneficial owner 實益擁有人	973,200

Note:

- Mr. Lum Gum Wun resigned as a non-executive director of the Company with effect from 9 February 2006.
- The interests are by virtue of an aggregate of 4,055,000 share options accepted by the directors on 24 June 2005. The number of share options were subsequently adjusted pursuant to the 1 for 5 bonus issue effected on 13 October 2005. The relevant directors are entitled to subscribe for shares in EEIC at an adjusted exercise price of US\$2.033 per share. The share options are exercisable in whole or in part at the staggered manner within 5 options period, commencing 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 March 2010 respectively and all ending on 24 May 2010.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2005.

附註:

- 林根穩先生於二零零六年二月九日辭任本公司非執行董事。
- 該等權益基於董事於二零零五年六月二十四日接納合共4,055,000份優先購股權而擁有。優先購股權數目，其後因二零零五年十月十三日按一比五基準進行之紅股發行而調整。有關董事可按經調整行使價每股2.033美元認購EEIC股份。優先購股權分別自二零零六年十一月二十六日、二零零七年十一月二十六日、二零零八年十一月二十六日、二零零九年十一月二十六日及二零一零年三月二十六日至二零一零年五月二十四日止五個優先購股權行使期間內分段行使全部或其中部分。

除上述披露者外，於二零零五年十二月三十一日，概無董事或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有任何權益或短倉。



## SHARE OPTIONS

Particulars of the share option schemes of the Company and of EEIC are set out in note 33 to the financial statements.

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

## 優先購股權

本公司及EEIC優先購股權計劃詳情載於財務報表附註33。

下表披露本公司優先購股權於年內之變動：

		Outstanding at 1.1.2005 於二零零五年 一月一日 尚未行使	Exercised during the year 已於本年度 十二月三十一日 行使	Outstanding at 31.12.2005 於二零零五年 十二月三十一日 尚未行使
<b>Category 1: Directors</b>	<b>第1類：董事</b>			
Mr. Cheung Kwok Wing	張國榮先生	3,055,000	(963,600)	2,091,400
Mr. Chan Wing Kwan	陳永鋌先生	3,981,000	(481,800)	3,499,200
Mr. Lam Ka Po	林家寶先生	4,514,000	(481,800)	4,032,200
Mr. Cheung Kwok Keung	張國強先生	4,514,000	(481,800)	4,032,200
Mr. Cheung Kwok Wa	張國華先生	4,263,000	(481,800)	3,781,200
Mr. Cheung Kwong Kwan	張廣軍先生	4,374,000	(481,800)	3,892,200
Mr. Cheung Kwok Ping	張國平先生	4,318,000	(481,800)	3,836,200
Mr. Chang Wing Yiu	鄭永耀先生	4,598,000	(481,800)	4,116,200
		33,617,000	(4,336,200)	29,280,800
<b>Category 2: Employees</b>	<b>第2類：僱員</b>	8,205,000	(963,800)	7,241,200
<b>Total all categories</b>	<b>所有類別合計</b>	41,822,000	(5,300,000)	36,522,000

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$24.08.

於緊接行使優先購股權之前，本公司股份之加權平均收市價為24.08港元。

## SHARE OPTIONS (continued)

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

## 優先購股權 (續)

下表披露EEIC優先購股權於年內之變動：

		Outstanding at 1.1.2005 於二零零五年 一月一日	Original number of share options granted during the year 年內之原先 已授出優先 購股權數目	Lapsed during the year 年內已失效	Adjusted number of share options granted upon completion of the bonus issue (Note) 完成紅股發行後 之經調整已授出 優先購股權 數目(附註)	Outstanding at 31.12.2005 於二零零五年 十二月三十一日
<b>Category 1: Directors</b>	<b>第1類: 董事</b>					
Mr. Cheung Kwok Wing	張國榮先生	-	811,000	-	162,200	973,200
Mr. Chan Wing Kwan	陳永錕先生	-	811,000	-	162,200	973,200
Mr. Cheung Kwok Wa	張國華先生	-	811,000	-	162,200	973,200
Mr. Chang Wing Yiu	鄭永耀先生	-	811,000	-	162,200	973,200
Mr. Mok Cham Hung, Chadwick	莫湛雄先生	-	811,000	-	162,200	973,200
		-	4,055,000	-	811,000	4,866,000
<b>Category 2: Employees</b>	<b>第二類: 僱員</b>	-	5,895,000	(230,000)	1,133,000	6,798,000
<b>Total all categories</b>	<b>所有類別合計</b>	-	9,950,000	(230,000)	1,944,000	11,664,000

Note: Pursuant to the 1 for 5 bonus issue implemented by EEIC and effected on 13 October 2005, the respective number of share options granted by EEIC to its directors and employees and the corresponding exercise prices were adjusted.

附註: EEIC授予其董事及僱員之優先購股權數目及相關行使價, 因EEIC於二零零五年十月十三日按一比五基準進行之紅股發行而調整。

## ARRANGEMENTS TO PURCHASE SHARES

Other than the warrant and option holdings disclosed above, at no time during the year was the Company or any of its 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 debentures of, the Company or any other body corporate.

## 購買股份之安排

除上文披露所持認股權證及優先購股權外, 本公司或其任何附屬公司於年內任何時間概無參與訂立任何安排, 致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

## DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract 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.

## SUBSTANTIAL SHAREHOLDERS

At 31 December 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

### Long position

Ordinary shares of HK\$0.10 each of the Company

## 董事之重大合約權益

本公司或其任何附屬公司概無訂立任何於年度終結或年內任何時間仍然生效而本公司董事直接或間接擁有重大權益之重大合約。

## 主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於二零零五年十二月三十一日，下列股東（上文所披露若干董事之權益除外）已知會本公司彼等於本公司已發行股本之相關權益。

### 長倉

本公司每股面值0.10港元之普通股

Name of shareholder 股東名稱	Notes 附註	Nature of interest 權益性質	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Hallgain Management Limited ("Hallgain")	(a)	Beneficial owner 實益擁有人	242,997,400	30.96
The Capital Group Companies, Inc.	(b)	Investment manager 投資經理	95,418,469	12.16
FMR Corp	(c)	Investment manager 投資經理	58,171,780	7.41
HSBC Halbis Partners (Hong Kong) Limited		Investment manager 投資經理	39,764,858	5.07
Gryphon Investment Counsel, Inc		Investment manager 投資經理	39,308,908	5.01

## SUBSTANTIAL SHAREHOLDERS (continued)

### Long position (continued)

Ordinary shares of HK\$0.10 each of the Company (continued)

Notes:

- (a) At 31 December 2005: (i) no shareholder of Hallgain is entitled to exercise, or control the exercise of, directly or indirectly, one-third or more of the voting power at general meetings of Hallgain, and Hallgain and its directors are not accustomed to act in accordance with any shareholder's direction; and (ii) Messrs. Cheung Kwok Wing, Chan Wing Kwan, Lam Ka Po and Lum Gum Wun, directors of the Company (note: Mr. Lum Gum Wun resigned as a non-executive director of the Company with effect from 9 February 2006), are also directors of Hallgain.
- (b) The interests are indirectly held by The Capital Group Companies, Inc. through its 100% controlled corporations, namely Capital Research and Management Company and Capital Guardian Trust Company.
- (c) The interests are indirectly held by FMR Corp through its 100% controlled corporations, namely Fidelity Management & Research Company and Fidelity Management Trust Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2005.

## CORPORATE GOVERNANCE

In the opinion of the directors of the Company, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31 December 2005 save for the deviation that all non-executive directors are not appointed for specific terms but are subject to retirements by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.

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 Appendix 10 to the Listing Rules (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.

## 主要股東 (續)

### 長倉 (續)

本公司每股面值0.10港元之普通股 (續)

附註:

- (a) 於二零零五年十二月三十一日: (i) 概無Hallgain股東有權於Hallgain股東大會行使或直接或間接控制行使三分之一或以上之表決權, 而Hallgain及其董事並不慣常根據任何股東指示行事; 及(ii) 本公司董事張國榮先生、陳永銀先生、林家寶先生及林根穩先生(附註: 林根穩先生於二零零六年二月九日辭任本公司非執行董事) 亦為Hallgain之董事。
- (b) 該等權益由The Capital Group Companies, Inc. 透過其擁有100%控制權之公司Capital Research and Management Company 及Capital Guardian Trust Company間接持有。
- (c) 該等權益由FMR Corp 透過其擁有100%控制權之公司Fidelity Management & Research Company 及Fidelity Management Trust Company 間接持有。

除上述披露者外, 本公司概無獲知會於二零零五年十二月三十一日之本公司已發行股本之任何其他相關權益或短倉。

## 企業管治

本公司董事認為, 除全體非執行董事並無按指定任期獲委任而須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退及膺選連任有所偏離外, 本公司於截至二零零五年十二月三十一日止年度一直遵守聯交所證券上市規則(「上市規則」)附錄14所載之企業管治常規守則。

本公司已採納條款不寬鬆於上市規則附錄10所載規定標準(「標準守則」)之有關董事進行證券交易之操守守則。經向全體董事作出特定查詢後, 全體董事確認, 彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易之操守守則。

## CORPORATE GOVERNANCE (continued)

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.

## UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

Hallgain and/or Mr. Cheung Kwok Wing and certain directors of the Company and their relatives have undertakings to maintain, directly and indirectly, certain percentage shareholdings in the Company as a condition under which certain bank loans are made to the Group. The extent of such loan facilities and the obligations imposed on the controlling shareholders are as follows:

	Amount of the bank loan outstanding at 31 December 2005 於二零零五年 十二月三十一日 尚未償還之銀行貸款金額 HK\$'000 千港元	Date by which the loan will be wholly repayable 須全數償還 貸款之日期	Minimum percentage shareholding to be maintained 將維持之 最低股權百分比
Facility 1 貸款融資一	2,280,000	June 2010 二零一零年六月	30
Facility 2 貸款融資二	50,000	October 2010 二零一零年十月	30
Facility 3 貸款融資三	63,250	November 2007 二零零七年十一月	30
Facility 4 貸款融資四	476,000	March 2007 二零零七年三月	30
Facility 5 貸款融資五	840,000	June 2009 二零零九年六月	30
Facility 6 貸款融資六	80,000	October 2007 二零零七年十月	30
Facility 7 貸款融資七	90,000	April 2008 二零零八年四月	30
Facility 8 貸款融資八	175,000	May 2009 二零零九年五月	30
Facility 9 貸款融資九	93,750	September 2009 二零零九年九月	30
	<hr/> 4,148,000		

## 企業管治 (續)

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出有關其獨立身分之年度確認。本公司認為，全體獨立非執行董事均為獨立人士。

## 控股股東之承諾

Hallgain及／或張國榮先生及本公司若干董事與彼等之親屬已承諾直接及間接維持本公司若干百分比之股權，作為本集團獲批若干銀行貸款之條件。該等貸款融資之額度及控股股東須承擔之責任如下：

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales or purchases attributable to the Group's five largest customers or suppliers were less than 30% of the Group's sales or purchases respectively.

## CONNECTED TRANSACTIONS

During the year, Techwise Circuits Company Limited and its subsidiaries ("Techwise", together with its subsidiaries, "Techwise Group") sold printed circuit boards ("PCBs") to and purchased laminates from Shirai Electronics Industrial Co., Ltd. and its subsidiaries ("Shirai", together with its subsidiaries, "Shirai Group") amounting to approximately HK\$416,149,000 and HK\$72,598,000 respectively. The Techwise Group also sub-contracted the services of the Shirai Group, namely the drilling of laminates by the Shirai Group on Techwise Group's behalf, amounting to approximately HK\$12,704,000 during the year. Techwise is a non-wholly owned subsidiary of the Company, while Shirai is a substantial shareholder of Techwise Shirai Circuits Limited (a 70% owned subsidiary of Techwise). As such, Shirai and its subsidiaries are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

In the opinion of the Company's independent non-executive directors, the aforesaid transactions were entered into in the ordinary and usual course of the Group's business, conducted on normal commercial terms that are fair and reasonable so far as the shareholders of the Company are concerned and are in accordance with the terms of the contracts governing these transactions. The sale of PCBs to the Shirai Group did not exceed the corresponding annual cap for the financial year ended 31 December 2005 which was approved by the shareholders of the Company at an extraordinary general meeting held on 22 December 2004, namely HK\$445,000,000, while the purchase of laminates from the Shirai Group and the subcontracting transactions with the Shirai Group during the year did not exceed the corresponding annual caps for the financial year ended 31 December 2005 as announced by the Company on 19 October 2005, namely HK\$85,000,000 and HK\$13,000,000 respectively.

## 主要客戶及供應商

年內，本集團五名最大客戶或供應商之總銷售額或購貨額分別少於本集團之銷售額或購貨額之30%。

## 關連交易

年內，科惠線路有限公司（「科惠」，連同其附屬公司統稱「科惠集團」）向Shirai Electronics Industrial Co., Ltd.（「Shirai」，連同其附屬公司統稱「Shirai集團」）出售為數約416,149,000港元之印刷線路板及購買為數約72,598,000港元之覆銅面板。科惠集團另於年內向Shirai集團外判為數約12,704,000港元之服務，即由Shirai集團代科惠集團為覆銅面板鑽孔。科惠為本集團非全資附屬公司，而Shirai則為科惠擁有70%權益之附屬公司科惠白井電路有限公司之主要股東。因此，根據上市規則第14A章，Shirai及其附屬公司為本公司關連人士。

本公司之獨立非執行董事認為，上述交易乃在本集團之日常一般業務過程中訂立，且按正常商業條款（對本公司股東而言屬於公平合理）進行及符合就該等交易所訂合約之條款規定。向Shirai集團銷售印刷線路板不超過本公司股東於二零零四年十二月二十二日舉行之股東特別大會所批准截至二零零五年十二月三十一日止財政年度相關年度上限445,000,000港元，而年內向Shirai集團購買覆銅面板及與Shirai集團進行加工服務交易分別不超過本公司於二零零五年十月十九日所宣布截至二零零五年十二月三十一日止財政年度相關年度上限85,000,000港元及13,000,000港元。

### CONNECTED TRANSACTIONS *(continued)*

Other than disclosed above, the Company and some of its wholly-owned subsidiaries also provided guarantees to financial institutions to secure general credit facilities for certain non-wholly owned subsidiaries, namely, KCFH and Techwise in the amounts of approximately HK\$160,000,000 and HK\$235,200,000 respectively.

### PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under company laws in the Cayman Islands.

### AUDITORS

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

On behalf of the Board

**Cheung Kwok Wing**

CHAIRMAN

28 March 2006

### 關連交易 (續)

除上文披露者外，本公司及其若干全資附屬公司亦就若干非全資附屬公司（即KCFH及科惠）獲授一般信貸融資（金額分別約為160,000,000港元及235,200,000港元）而向財務機構提供擔保。

### 優先權

本公司之公司組織章程並無關於優先權之規定，惟開曼群島公司法例並無對優先權作出任何限制。

### 核數師

續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命

**張國榮**

主席

二零零六年三月二十八日