

董事會報告

Directors' Report

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董事會謹提呈截至二零零五年十二月三十一日止年度之年報連同經審核之財務報表。

The directors present their annual report and the audited financial statements for the year ended 31st December, 2005.

主要業務

本公司為一間投資控股公司。本公司主要附屬公司、本集團聯營公司及共同控制實體之主要業務分別刊載於財務報表附註37、38及18。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries, the Group's associates and jointly controlled entities are set out in notes 37, 38 and 18 to the financial statements respectively.

業績

本集團截至二零零五年十二月三十一日止年度之業績刊載於第34頁之綜合損益表。

RESULTS

The results of the Group for the year ended 31st December, 2005 are set out in the consolidated income statement on page 34.

董事會不建議就本年度派發任何股息。

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

投資物業及物業、機器及設備

本集團於年結日重估所有投資物業，並沒有錄得任何重估盈餘或虧絀。

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group revalued all of its investment properties at the year end date and there was no surplus or deficit arising on the revaluation.

本集團之投資物業及物業、機器及設備於年內之變動詳情分別刊載於財務報表附註14及15。

Details of the movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 14 and 15 to the financial statements respectively.

可供分派之儲備

於二零零五年十二月三十一日，本公司並無可供現金分派及/或實物分派之儲備，惟根據百慕達法例，本公司之股份溢價賬約354,078,000港元可以繳足紅股之形式分派，而本公司之繳納盈餘賬約588,178,000港元可於若干情況下分派。

DISTRIBUTABLE RESERVES

As at 31st December, 2005, the Company had no reserves available for cash distribution and/or distribution in specie, except that under the laws of Bermuda, the Company's share premium account, in the amount of approximately HK\$354,078,000, may be distributed in the form of fully paid bonus shares and the Company's contributed surplus account, in the amount of approximately HK\$588,178,000, may be distributed under certain circumstances.

董事及服務合約

於本年度及截至本報告日期，本公司之董事如下：

DIRECTORS AND SERVICE CONTRACTS

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

執行董事：

王聰德先生
鄧文雲先生
謝錦輝先生
龔漢兵先生（於二零零六年三月三十日辭任）

Executive directors:

Mr. Wong Chung Tak
Mr. Deng Wenyun
Mr. Tse Kam Fai
Mr. Gong Hanbing (resigned on 30th March, 2006)

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非執行董事：

陳 潮先生
王文俊先生

獨立非執行董事：

李國精先生
廖醒標先生
莊嘉俐小姐

依據本公司之公司細則第87條，鄧文雲先生、謝錦輝先生及莊嘉俐小姐將於即將舉行之股東週年大會上告退，惟有資格並願意於同一大會上膺選連任。

獨立非執行董事並無指定任期，惟須按本公司之公司細則輪值退任。

擬於即將舉行之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任何本集團於一年內終止即須作出賠償（法定賠償除外）之服務合約。

董事及主要行政人員於股份、 相關股份及債券之權益

除下文「購股權」及「主要股東」兩節所披露者外，於二零零五年十二月三十一日，本公司董事或主要行政人員或其任何聯繫人概無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」）之股份、相關股份及債券中擁有記錄於本公司根據證券及期貨條例352條存置之登記冊，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香港聯合交易所有限公司（「聯交所」）之權益及淡倉。

董事於重大合約之權益

於本年度結束時或年內任何時間，本公司各董事概無在本公司或其附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

Non-executive directors:

Mr. Chen Chao
Mr. Wong Ngo, Derick

Independent non-executive directors:

Mr. Lee Kuo Ching, Stewart
Mr. Liu Sing Piu, Chris
Ms. Chong Kally

In accordance with the Company's bye-law 87, Messrs. Deng Wenyun, Tse Kam Fai and Ms. Chong Kally will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the bye-laws of the Company.

No director being 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 Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed in the sections "Share Options" and "Substantial Shareholders" below, as at 31st December, 2005, none of the directors or chief executives of the Company or any of their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance (the "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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the 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.

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購股權

按本公司於二零零二年五月三十日舉行之股東週年大會上通過之普通決議案，本公司採納一項新購股權計劃（「新計劃」）。新計劃取代於二零零零年十一月十七日採納之購股權計劃（「舊計劃」）。採納新計劃後，概無按舊計劃授出其他購股權。本公司購股權計劃之詳情刊載於財務報表附註29。

購股權數目之變動詳情刊載如下：

舊計劃

Old Scheme

參與者姓名或組別	附註	授出 購股權日期*	購股權 行使期間	購股權 行使價** 港元	購股權數目		
					於 二零零五年 一月一日 尚未行使	年內失效	於 二零零五年 十二月三十一日 尚未行使
Name or category of participant	Note	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$	Outstanding at 1st January, 2005	Lapsed during the year	Outstanding at 31st December, 2005
董事 陳潮先生 Mr. Chen Chao		二零零一年三月九日	二零零一年三月二十一日至 二零零一年十一月十六日	0.1945	30,000,000	-	30,000,000
		9.3.2001	21.3.2001 to 16.11.2010				
龔漢兵先生 Mr. Gong Hanbing	(a)	二零零一年三月九日	二零零一年三月二十一日至 二零零一年十一月十六日	0.1945	30,000,000	-	30,000,000
		9.3.2001	21.3.2001 to 16.11.2010				
		二零零一年七月二十三日	二零零二年一月一日至 二零零六年十二月三十一日	0.1945	2,580,000	-	2,580,000
		23.7.2001	1.1.2002 to 31.12.2006				
		二零零一年七月二十三日	二零零二年七月一日至 二零零七年六月三十日	0.1945	2,580,000	-	2,580,000
		23.7.2001	1.7.2002 to 30.6.2007				
李國精先生 Mr. Lee Kuo Ching, Stewart	(b)	一九九七年七月七日	一九九七年七月十五日至 二零零七年七月十四日	0.3800	900,000	-	900,000
		7.7.1997	15.7.1997 to 14.7.2007				
					66,060,000	-	66,060,000

SHARE OPTIONS

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30th May, 2002, a new share option scheme (the "New Scheme") was adopted by the Company. The New Scheme replaced the share option scheme adopted on 17th November, 2000 (the "Old Scheme"). After the adoption of the New Scheme, no further options can be granted under the Old Scheme. Particulars of the Company's share option schemes are set out in note 29 to the financial statements.

Details of movements in the number of share options are set out below:

購股權 (續)

SHARE OPTIONS (Continued)

舊計劃 (續)

Old Scheme (Continued)

參與者姓名或組別	附註	授出 購股權日期*	購股權 行使期間	購股權 行使價** 港元	購股權數目		
					於 二零零五年 一月一日 尚未行使	年內失效	於 二零零五年 十二月三十一日 尚未行使
Name or category of participant	Note	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$	Number of share options		
					Outstanding at 1st January, 2005	Lapsed during the year	Outstanding at 31st December, 2005
其他僱員							
Other employees							
合計		二零零一年三月九日	二零零一年三月二十日至 二零一零年十一月十六日	0.1945	9,000,000	-	9,000,000
In aggregate		9.3.2001	20.3.2001 to 16.11.2010				
		二零零一年三月九日	二零零一年三月二十一日至 二零一零年十一月十六日	0.1945	60,000,000	-	60,000,000
		9.3.2001	21.3.2001 to 16.11.2010				
		二零零一年三月九日	二零零一年三月二十二日至 二零一零年十一月十六日	0.1945	1,500,000	-	1,500,000
		9.3.2001	22.3.2001 to 16.11.2010				
		二零零一年七月二十三日	二零零一年八月二日至 二零零六年七月二十六日	0.1945	25,000,000	-	25,000,000
		23.7.2001	2.8.2001 to 26.7.2006				
		二零零一年七月二十三日	二零零一年八月四日至 二零零六年七月二十八日	0.1945	25,000,000	(25,000,000)	-
		23.7.2001	4.8.2001 to 28.7.2006				
		二零零一年七月二十三日	二零零一年八月十五日至 二零零六年八月八日	0.1945	48,862,800	-	48,862,800
		23.7.2001	15.8.2001 to 8.8.2006				
		二零零一年七月二十三日	二零零二年一月一日至 二零零六年十二月三十一日	0.1945	47,118,550	(20,098,400)	27,020,150
		23.7.2001	1.1.2002 to 31.12.2006				
		二零零一年七月二十三日	二零零二年七月一日至 二零零七年六月三十日	0.1945	47,118,550	(20,098,400)	27,020,150
		23.7.2001	1.7.2002 to 30.6.2007				
		二零零一年八月十三日	二零零二年一月一日至 二零零六年十二月三十一日	0.1945	750,000	-	750,000
		13.8.2001	1.1.2002 to 31.12.2006				
		二零零一年八月十三日	二零零二年七月一日至 二零零七年六月三十日	0.1945	750,000	-	750,000
		13.8.2001	1.7.2002 to 30.6.2007				
					265,099,900	(65,196,800)	199,903,100
					331,159,900	(65,196,800)	265,963,100

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購股權 (續)

新計劃 New Scheme

參與者姓名或組別	附註	授出 購股權日期*	購股權 行使期間	購股權 行使價** 港元	購股權數目		
					於 二零零五年 一月一日 尚未行使	年內失效	於 二零零五年 十二月三十一日 尚未行使
Name or category of participant	Note	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$	Number of share options		
					Outstanding at 1st January, 2005	Lapsed during the year	Outstanding at 31st December, 2005
其他僱員 Other employees							
合計 In aggregate		二零零三年十月十四日 14.10.2003	二零零三年十一月二十八日至 二零零八年十一月二十六日 28.11.2003 to 26.11.2008	0.0754	40,000,000	(20,000,000)	20,000,000

附註:

- (a) 龔漢兵先生於二零零六年三月三十日辭任本公司董事及總裁之職，其購股權將於二零零六年六月底失效。
- (b) 於二零零五年一月一日已發行之購股權乃根據股東在本公司於一九九七年六月十日舉行之股東週年大會上授出之一般授權，授予李國精先生。
- * 該等購股權之歸屬期乃自授出日期直至行使期間開始為止。
- ** 如本公司進行供股、發行紅股或股本發生類似變動，該等購股權之行使價須予調整。

Notes:

- (a) Mr. Gong Hanbing resigned as director and president of the Company on 30th March, 2006. His share options will lapse by the end of June 2006.
- (b) The options outstanding at 1st January, 2005 granted to Mr. Lee Kuo Ching, Stewart were in accordance with the general mandate granted by the shareholders to the directors at the annual general meeting of the Company held on 10th June, 1997.
- * The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

年內概無董事或僱員獲授予或行使任何購股權。

於二零零五年十二月三十一日，根據本公司購股權計劃可予發行之股份總數為285,963,100股，佔本公司已發行股本之2%。

購買股份或債券之安排

除上文「購股權」一節所披露者外，本公司或其任何附屬公司於年內概無參與任何安排，致使本公司董事或主要行政人員可藉購買本公司或任何其他法團之股份或債券而獲益。

SHARE OPTIONS (Continued)

No share options were granted to or exercised by the directors or employees during the year.

As at 31st December, 2005, the total number of shares available for issue under the Company's share option schemes is 285,963,100 shares, representing 2% of the issued share capital of the Company.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section "Share Options" above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Company's directors or chief executives to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東

於二零零五年十二月三十一日，本公司根據證券及期貨例第336條存置之主要股東登記冊顯示，除上文所披露有關若干董事及僱員之權益外，以下股東已知會本公司其擁有本公司已發行股本之有關權益：

每股面值0.01港元普通股之好倉

SUBSTANTIAL SHAREHOLDERS

As at 31st 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 and employees, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions in ordinary shares of HK\$0.01 each

股東名稱	Name of shareholder	所持股份數目			佔已發行股份總數百分比 Percentage in total number of issued shares
		直接權益	間接權益	總額	
		Direct interest	Indirect interest	Total	
Thing On Group Limited	Thing On Group Limited	2,418,111,792	-	2,418,111,792	16.85%
王聰德先生	Mr. Wong Chung Tak	-	2,418,111,792	2,418,111,792	16.85%
深圳市投資管理公司 (「深圳投資」)	Shenzhen Investment Holding Corporation ("SIHC")	320,335,712	1,279,090,260	1,599,425,972	11.14%
Ultrarich International Limited (「UIL」)	Ultrarich International Limited ("UIL")	-	1,279,090,260	1,279,090,260	8.91%
深圳國際控股有限公司 (「深圳國際」)	Shenzhen International Holdings Limited ("SIHL")	-	1,279,090,260	1,279,090,260	8.91%
New Vision Limited (「NVL」)	New Vision Limited ("NVL")	-	1,279,090,260	1,279,090,260	8.91%
Great Mind Holdings Group Limited (「GML」)	Great Mind Holdings Group Limited ("GML")	1,279,090,260	-	1,279,090,260	8.91%

附註：

- (1) Thing On Group Limited之全部已發行股本由王聰德先生實益擁有。因此，Thing On Group Limited與王聰德先生被視為於本公司股本中擁有同一權益。
- (2) GML在1,279,090,260股本公司股份所佔之權益亦涉及NVL。NVL在1,279,090,260股本公司股份所佔之權益亦涉及深圳國際、UIL及深圳投資，原因如下：
- (a) GML為NVL之全資附屬公司；
 - (b) NVL為深圳國際之全資附屬公司；
 - (c) UIL可在深圳國際之股東大會上控制三分之一以上之投票權；及
 - (d) UIL為深圳投資之全資附屬公司。

Notes:

- (1) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak. Both Thing On Group Limited and Mr. Wong Chung Tak are therefore deemed to have the duplicate interests in the share capital of the Company.
- (2) The interest of GML in the 1,279,090,260 shares of the Company is attributed to NVL. The interest of NVL in the 1,279,090,260 shares of the Company is also attributed to SIHL, UIL and SIHC on the bases that:
- (a) GML is the wholly-owned subsidiary of NVL;
 - (b) NVL is the wholly-owned subsidiary of SIHL;
 - (c) UIL controls more than one-third of the voting power at SIHL's general meetings; and
 - (d) UIL is the wholly-owned subsidiary of SIHC.

除上文所披露者外，於二零零五年十二月三十一日，本公司概無獲知會於本公司股份及相關股份之其他有關權益或淡倉。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31st December, 2005.

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關連交易

於二零零四年三月一日，本集團與本集團之共同控制實體武漢晶科信息產業有限公司（「晶科信息」）訂立貸款協議，據此，本集團同意授出最多為人民幣15,000,000元（約相等於14,151,000港元）之非循環有抵押貸款。該貸款按匯豐銀行之最優惠利率計息。貸款本金及利息於二零零五年十二月三十一日到期，並將按協議雙方議定之條款續期。該貸款由晶科信息各股東將各自於晶科信息之權益抵押予本集團作抵押。

主要客戶及供應商

年內，本集團向五大供應商之採購佔本集團總採購額約42%，當中包括向最大供應商之採購，佔本集團總採購額約15.5%。

年內，本集團向五大客戶之銷售佔本集團總營業額約46.6%，當中包括向最大客戶之銷售，佔本集團總營業額約17.4%。

本公司之董事、彼等之聯繫人或據董事所知擁有本公司已發行股本超過5%之股東，概無於本集團五大客戶及供應商當中擁有任何實益權益。

購入、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購入、出售或贖回任何本公司上市證券。

優先購買權

本公司之公司細則或百慕達法例概無有關優先購買權之規定，因此本公司毋須按優先基準向現有股東發售新股。

CONNECTED TRANSACTIONS

On 1st March, 2004, the Group entered into a loan agreement with Wu Han Jingke Information Industry Co., Ltd ("Jingke Information"), a jointly controlled entity of the Group, pursuant to which the Group agreed to grant a non-revolving secured loan of up to RMB15,000,000 (equivalent to approximately HK\$14,151,000). The loan bears interest at HSBC prime rate. The loan principal and interest is expired on 31st December, 2005 and will be renewable upon terms to be agreed between the parties thereof. The loan is secured by each of the shareholders of Jingke Information by charging their respective equity interests in Jingke Information to the Group.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases from the five largest suppliers accounted for approximately 42% of the Group's total purchases and purchases from the largest supplier included therein accounted for approximately 15.5% of the Group's total purchases.

During the year, the Group's sales to the five largest customers accounted for approximately 46.6% of the Group's total turnover and sales to the largest customer included therein accounted for approximately 17.4% of the Group's total sales.

None of the directors of the Company, their associates, nor any shareholder, which to the best knowledge of the directors own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and suppliers.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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.

獨立非執行董事之委任

本公司已接獲各獨立非執行董事根據聯交所證券上市規則（「上市規則」）第3.13條確認其獨立性之年度確認書，而本公司認為全體獨立非執行董事均為獨立。

報酬政策

本集團之高級管理人員的報酬政策由薪酬委員會根據彼等之長處、資歷及才能而定立。

本公司之董事報酬由薪酬委員會制定，並根據本公司之經營業績、個人表現及相對市場薪酬統計而釐定。

本公司採納一項購股權計劃，作為對董事及合資格僱員之鼓勵，該項計劃之詳情刊載於財務報表附註29。

足夠公眾持股量

截至二零零五年十二月三十一日止年度，本公司一直維持足夠之公眾持股量。

核數師

於股東週年大會上將會提呈重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

王聰德
主席

香港
二零零六年四月七日

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

EMOLUMENT POLICY

The emolument policy of the senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 29 to the financial statements.

SUFFICIENT OF PUBLIC FLOAT

The Company has maintained a sufficient public float that throughout the year ended 31st December, 2005.

AUDITORS

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

On behalf of the Board

WONG CHUNG TAK
Chairman

Hong Kong
7th April, 2006