



DIRECTORS' REPORT

董事會報告

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in Note 15 to the financial statements.

RESULTS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 33.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2005.

RESERVES

Movements in reserves of the Group and the Company during the year are set out on page 73 and Note 27 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 14 to the financial statements.

董事謹此提呈其截至二零零五年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為投資控股公司。其附屬公司之主要業務載於財務報表附註15。

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載於第33頁之綜合收益表。

董事不建議就截至二零零五年十二月三十一日止年度派發任何股息。

儲備

本集團及本公司儲備於年內之變動分別載於第73頁及財務報表附註27。

物業、廠房及設備

年內，本集團物業、廠房及設備之變動詳情載於財務報表附註14。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year were:

Executive directors:

Chan Chak Mo (Managing Director)	
Chan See Kit, Johnny (Chairman)	(appointed on 16 December 2005)
Lai King Hung (Deputy Chairman)	(appointed on 16 December 2005)
Leong In Ian	
Tong Ka Wai	
Lim Kam Hung	
Ho U Un	
Chan Chun Yin, Joseph	(resigned on 30 April 2005)

Independent non-executive directors:

Cheung Hon Kit
Chui Sai Cheong
Yu Kam Yuen Lincoln
Chan Shek Wah

In accordance with Clause 99(A) of the Company's Bye Laws, Messrs. Lim Kam Hung, Ho U Un and Chui Sai Cheong retire from office, Mr. Ho U Un not offer himself for re-election whereas Messrs. Lim Kam Hung and Chui Sai Cheong being eligible, offer themselves for re-election.

In accordance with Clause 102(A) of the Company's Bye Laws, Messrs. Chan See Kit, Johnny and Lai King Hung retire and being eligible, offer themselves for re-election.

Each of the remaining non-executive directors has been appointed for a term of one year commencing on date of appointment and thereafter for further successive periods of one year until terminated by not less than one month's written notice served by either party on the other.

None of the directors 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.

董事及董事服務合約

本公司年內之董事如下：

執行董事：

陳澤武 (董事總經理)	
陳思杰 (主席)	(於二零零五年十二月十六日獲委任)
黎經洪 (副主席)	(於二零零五年十二月十六日獲委任)
梁衍茵	
唐家威	
林金熊	
何汝源	
陳駿賢	(於二零零五年四月三十日辭任)

獨立非執行董事：

張漢傑
崔世昌
余錦遠
陳錫華

根據本公司之公司細則第99(A)條，林金熊先生、何汝源先生及崔世昌先生將會退任，惟何汝源先生無意重選連任，而林金熊先生及崔世昌先生則願意膺選連任。

根據本公司之公司細則第102(A)條，陳思杰先生及黎經洪先生將會退任，惟彼等願意膺選連任。

各非執行董事之任命由委任日期起為期一年，其後將再延續一年，直至任何一方向另一方發出不少於一個月書面通知為止。

擬於即將舉行之股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂立不可由本集團於一年內毋須賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE BONDS

At 31 December 2005, the interests and short positions of the directors and their associates in the shares, underlying shares and convertible bonds of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Hong Kong Securities and Futures Ordinance (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 positions

Ordinary shares of HK\$0.01 each of the Company

Name of director
董事姓名

Capacity
身份

Number of ordinary shares held
所持普通股數目

Percentage of issued share capital of the Company
佔本公司已發行股本百分比

Mr. Chan Chak Mo
陳澤武先生

Beneficial owner (Note)
實益擁有人(附註)

373,962,000

62.33%

Mr. Yu Kam Yuen Lincoln
余錦遠先生

Beneficial owner
實益擁有人

2,802,000

0.47%

Note: These shares, representing approximately 62.33% of the issued share capital of the Company, of which 51.33% are held by Puregain Assets Limited, a company beneficially wholly-owned by Mr. Chan Chak Mo and balance of 11.0% are held by Cash Smart Enterprises Limited, a company beneficially owned by Madam Leong On Kei, Angela and Mr. Chan Chak Mo.

附註：該等股份佔本公司已發行股本約62.33%，其中51.33%由陳澤武先生全資實益擁有之Puregain Assets Limited持有，其餘11.0%則由梁安琪女士及陳澤武先生實益擁有之公司Cash Smart Enterprises Limited擁有。

Save 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 as at 31 December 2005.

除上文所披露者外，各董事或彼等之聯繫人士於二零零五年十二月三十一日概無於本公司或其任何相聯法團任何股份、相關股份或債券中擁有任何權益或淡倉。

SHARE OPTIONS

The Company has adopted a share option scheme on 13 June 2002. Details of which are set out in Note 26 to the financial statements. No share options were granted to any grantees including the directors of Company since adoption of the scheme.

購股權

本公司於二零零二年六月十三日採納購股權計劃，有關詳情載於財務報表附註26。自採納該計劃以來，並無向任何承授人（包括本公司董事）授出任何購股權。

董事於股份、相關股份及可換股債券之權益及淡倉

於二零零五年十二月三十一日，按本公司根據香港證券及期貨條例（「證券及期貨條例」）第352條置存之登記冊所載，董事及其聯繫人士於本公司及其相聯法團擁有之股份、相關股份及可換股債券之權益及淡倉，或根據上市公司董事進行證券買賣的標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之該等權益及淡倉如下：

好倉

本公司每股面值0.01港元之普通股

SUBSTANTIAL SHAREHOLDERS

As 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 director, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares held 所持普通股數目	Percentage of issued share capital of the Company 佔本公司已發行 股本百分比
Cash Smart Enterprises Limited	Beneficial owner (Note a) 實益擁有人 (附註a)	66,000,000	11.00%
Mr. Au Kai Kwong 歐啟光先生	Beneficial owner 實益擁有人	51,000,000	8.50%
Global Trend Holdings Limited	Beneficial owner (Note b) 實益擁有人 (附註b)	38,340,000	6.39%

Notes:

- (a) Cash Smart Enterprises Limited is a company incorporated in the British Virgin Islands and is beneficially owned by Madam Leong On Kei, Angela and Mr. Chan Chak Mo. It has taken legal proceedings to require Mr. Li Tat Ting, a former shareholder, to buy all its 11% equity interest in the Company under a deed of put option dated 31 July 2002 at a total price of HK\$36.4 million. As the judgment has been obtained from the court that Mr. Li Tat Ting required to compensate the loss to Cash Smart Enterprises Limited, therefore the put option is lapsed.
- (b) Global Trend Holdings Limited is a company incorporated in the British Virgin Islands and is beneficially owned by Mr. Tsang Chi Wai, Eric, a former director of the Company.

Save 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.

主要股東

按本公司根據證券及期貨條例第336條存置之主要股東名冊所記錄，於二零零五年十二月三十一日，除上文就若干董事披露之權益外，以下股東已向本公司知會其於本公司已發行股本之相關權益及淡倉：

好倉

本公司每股面值0.01港元之普通股

附註：

- (a) Cash Smart Enterprises Limited為於英屬處女群島註冊成立之公司，由梁安琪女士及陳澤武先生實益擁有。該公司已進行法律程序，要求前任股東李達庭先生，根據於二零零二年七月三十一日訂立之認沽期權契據，購買本公司之11%股本權益，總代價為36,400,000港元。由於法院已裁定李達庭先生必須補償Cash Smart Enterprises Limited之損失，故上述認沽期權宣告失效。
- (b) Global Trend Holdings Limited為於英屬處女群島註冊成立之公司，由本公司前任董事曾志偉先生實益擁有。

除上文披露者外，本公司並不知悉任何其他人士於二零零五年十二月三十一日於本公司已發行股本中擁有相關權益或淡倉。



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

There were no contracts of significance to which the Company or its holding 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, which subsisted at the end of the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate purchases of redemption gifts attributable to the Group's five largest suppliers comprised approximately 100% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 100% of the Group's total purchases of redemption gifts.

The aggregate sales during the year attributable to the Group's five largest customers were less than 30% of the Group's total sales.

None of the current directors, their associates or any major shareholders, which to the knowledge of the current directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest suppliers of the Group.

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

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

CORPORATE GOVERNANCE

The Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

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 Rules Governing the Listing of Securities of the Stock Exchange (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed that they have complied with the standard set out in Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

董事合約權益

於本公司、其控股公司或其任何附屬公司訂立而於本年度結束時有效之重大合約中，本公司董事概無擁有直接或間接重大權益。

主要客戶及供應商

年內，本集團五大供應商應佔換領禮品採購總額佔本集團之採購總額約100%，而本集團最大供應商應佔換領禮品採購總額則佔本集團之換領禮品採購總額約100%。

年內，本集團五大客戶之銷售總額佔本集團銷售總額不足30%。

概無現任董事、彼等之聯繫人士或據現任董事所知擁有本公司已發行股本逾5%之任何主要股東，於本集團五大供應商之股本中擁有任何權益。

買賣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買賣或贖回本公司任何上市證券。

優先購買權

本公司之公司細則或百慕達法例並無條文規定本公司發售新股時須以按比例方式先發售予現時股東。

公司管治

本公司於年內一直遵守聯交所證券上市規則附錄14所載之最佳應用守則。

本公司已就董事進行證券交易訂立行為守則，其條款不比聯交所證券上市規則附錄十所載規定標準（「標準守則」）寬鬆。經向全體董事作出具體查詢後，所有董事確認彼等已遵守標準守則及本公司就董事進行證券交易所採納行為守則所載之標準。

CORPORATE GOVERNANCE – continued

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independent pursuant to Rules 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considered all of the independent non-executive directors are independent.

POST BALANCE SHEET EVENT

Details of a significant post balance sheet event are set out in Note 32 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as of the date of this report, the Company has maintained sufficient public float as required under Listing Rules.

AUDITORS

The Group's financial statements for the past three years ended 31 December 2002 to 2004 were audited by Messrs Deloitte Touche Tohmatsu.

During the year, Deloitte Touche Tohmatsu resigned and BDO McCabe Lo Limited were appointed auditors of the Company. Accordingly, a resolution will be proposed at the forthcoming annual general meeting of the Company to reappoint BDO McCabe Lo Limited as auditors of the Company.

On behalf of the Board
CHAN SEE KIT, JOHNNY
Chairman

Hong Kong, 25 April 2006

公司管治 – 續

本公司已根據聯交所證券上市規則第3.13條自各獨立非執行董事接獲彼等獨立身分之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

結算日後事項

有關結算日後重大事項之詳情載於財務報表附註32。

足夠公眾持股量

根據本公司所獲提供之公開資料顯示及就董事於本報告日期所知，本公司維持足夠公眾持股量，符合上市規則之規定。

核數師

本集團截至二零零二年十二月三十一日止至二零零四年十二月三十一日止過去三年度之財務報表乃由德勤•關黃陳方會計師行審核。

德勤•關黃陳方會計師行於年內呈辭，而德豪嘉信會計師事務所有限公司則獲委聘擔任本公司之核數師。因此，本公司將於股東週年大會上提呈決議案，續聘德豪嘉信會計師事務所有限公司為本公司之核數師。

承董事會命
主席
陳思杰

香港，二零零六年四月二十五日