

The Directors submit herewith their annual report together with the audited financial statements of Forefront International Holdings Limited (hereinafter as the "Company") and its subsidiaries (together with the Company hereinafter as the "Group") for the year ended 31 December 2005.

ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 10 September 1998 as an exempted company with limited liability under the Companies Law (Revised). Its shares have been listed on The Stock Exchange of Hong Kong Limited since 12 July 2001.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the trading of motor trucks, coaches and vehicles accessories, provision of motor vehicles repair and maintenance services, provision of other motor vehicle related business. Other activities and particulars of the Group's subsidiaries are set out in Note 13 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2005, the five largest customers accounted for approximately 41.2% of the Group's total turnover and the five largest suppliers of the Group accounted for approximately 95.5% of the Group's total purchases. The largest customer of the Group accounted for approximately 11.6% of the Group's turnover while the largest supplier accounted for approximately 77.2% of the Group's total purchases. The largest supplier of the Group was Scania CV AB ("Scania"), also a holding company of a major shareholder of the Company.

Save as disclosed above, none of the Directors, their associates, or any shareholders (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers or five largest suppliers.

董事謹此提呈福方國際控股有限公司(下文稱為「本公司」)及其附屬公司(連同本公司統稱為「本集團」)截至二零零五年十二月三十一日止年度之年報連同已審核財務報表。

組織及主要業務

本公司於一九九八年九月十日在開曼群島根據開曼群島公司法(經修訂)註冊成立為獲豁免有限公司。本公司的股份已於二零零一年七月十二日在香港聯合交易所有限公司上市。

主要業務

本公司是一間投資控股公司，其附屬公司主要從事貨車、旅遊巴士及汽車配件買賣；提供汽車維修保養服務；提供其他汽車相關服務。本集團附屬公司之其他業務及詳情載於財務報表附註13內。

客戶及供應商

截至二零零五年十二月三十一日止年度，五大客戶約佔本集團總營業額41.2%，本集團五大供應商約佔本集團總採購額95.5%。本集團最大客戶，約佔本集團營業額11.6%。本集團的最大供應商，約佔本集團總採購額77.2%。Scania CV AB(「Scania」)為本集團的最大供應商，亦是本公司的大股東之控股公司。

除上文披露外，概無董事、彼等之聯繫人或任何股東(就董事知悉擁有本公司股本超過5%者)擁有本集團五大客戶或五大供應商之實益權益。

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in share capital and the share option scheme of the Company are set out in Notes 21 and 22, respectively, to the accompanying financial statements.

RESERVES

Movements in reserves of the Company during the year are set out in Note 23 to the accounts. Distributable reserves of the Company as at 31 December 2005 amounted to approximately HK\$2,571,000 (2004: HK\$125,925,000).

CONVERTIBLE SECURITIES OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS

Save as an outstanding zero coupon convertible bonds in the amount of US\$9,000,000, there were no outstanding convertible securities options, warrants or other similar rights as at 31 December 2005. There has been no exercise of convertible securities, options, warrants or other similar rights during the year ended 31 December 2005.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the laws in the Cayman Islands, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries are set out in Note 13 to the financial statements.

股本及購股權

本公司股本及購股權計劃之變動詳情分別載於附隨之財務報表附註21及附註22內。

儲備

本公司在年度內之儲備變動情況載於財務報表附註23內。於二零零五年十二月三十一日，本公司的可供分派儲備達約2,571,000港元（二零零四年：125,925,000港元）。

可換股證券、認購權、認股權證或其他相類權利

本公司於二零零五年十二月三十一日之零息票可換股債券為9,000,000美元，並無尚未行使的可換股證券、認購權、認股權證或其他相類權利。於二零零五年十二月三十一日，並無可換股證券、認購權、認股權證或其他相類權利獲行使。

購買、出售或贖回股份

截至二零零五年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本身的任何股份。

優先購買權

本公司的組織章程細則及開曼群島法律並無關於規定本公司須按比例向現有股東提呈股份之優先購買權的條文。

附屬公司及聯營公司

本公司附屬公司及聯營公司的詳情載於附隨之財務報表附註13內。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 10 to the financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2005 are set out in Notes 18 to the financial statements.

STATE OF ORDER BOOK

As of the date of this report, the order booking in the area the Group operates has been in line with the management's expectation.

FIVE YEARS 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 pages 99 and 100 of the annual report.

PENSION SCHEMES

Details of the pension schemes are set out in Note 17 to the financial statements.

物業、廠房及設備

物業、廠房及設備在本年度的變動詳情載於附隨之財務報表附註10內。

銀行貸款及其他借貸

本公司及本集團於二零零五年十二月三十一日之銀行貸款及其他借貸的詳情載於財務報表附註18內。

訂單狀況帳

於本報告日期，本集團所經營領域之訂單狀況符合管理層預期。

五年財務資料摘要

本集團過去五個財政年度之業績及資產負債摘要載列於本年報第99頁及100頁內。

退休金計劃

由本集團營辦之退休金計劃之詳情載於附隨之財務報表附註17內。

CONNECTED TRANSACTIONS

Certain related party transactions disclosed in Note 29 to the financial statements constituted connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Details of such connected transaction is as follows:

Engagement of professional services from RSM Nelson Wheeler Corporate Advisory Services Limited ("**RSMNW**")

In December 2004, the Company entered the First Engagement with RSMNW whereas RSMNW would provide financial and operational monitoring and controls and to assist with regards to prudential and corporate governance issues relating to the Group. The engagement is for a fixed period of 10 months and the total payments under the engagement was capped at HK\$5,000,000. Mr. Kelvin Edward Flynn ("**Mr. Flynn**") and Mr. Cosimo Borrelli ("**Mr. Borrelli**") together control more than 30% of the voting shares of RSMNW and are directors of the Company and RSMNW. RSMNW is a connected person by virtue of it being an associate of Mr. Flynn and Mr. Borrelli. Accordingly, the transactions contemplated under the Engagement constituted connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, Mr. Flynn and Mr. Borrelli are the joint and several liquidators of Forefront International Limited (In Liquidation) which is a substantial shareholder of the Company and has an attributable interest of approximately 7.04% in the issued share capital of the Company, Ever Wealth Management Limited (In Liquidation) which has an attributable interest of approximately 0.13% in the issued share capital of the Company, and Todaytech Asia Limited (In Liquidation) which has an attributable interest of approximately 0.02% in the issued share capital of the Company. During the year, the total amount of professional fee paid to RSMNW was approximately HK\$3,113,000.

關連交易

根據香港聯合交易所有限公司證券上市規則（「**上市規則**」）第14A章，於財務報表附註29所披露之關連人士交易構成關連交易。該關連交易詳情如下：

羅申美企業顧問有限公司（「**羅申美**」）的專業服務委聘

於二零零四年十二月，本公司與羅申美訂立第一委聘，據此，羅申美將提供財務及營運監控與控制服務，以及協助處理有關本集團的信誠與企業管治事宜。該項委聘的固定期限為10個月，而就該項委聘所支付的總金額最高定為5,000,000港元。Kelvin Edward Flynn先生（「**Flynn先生**」）及 Cosimo Borrelli先生（「**Borrelli先生**」）合共控制羅申美逾30%有投票權股份，且為本公司及羅申美之董事。由於羅申美為Flynn先生及Borrelli先生之聯繫人士，故羅申美為關連人士。因此，根據上市規則第14A條，委聘項下擬進行之交易構成本公司之關連交易。此外，Flynn先生及Borrelli先生為以下三間公司之共同及個別清盤人：福方股份有限公司（清盤中），本公司主要股東，於本公司已發行股本中擁有約7.04%權益；Ever Wealth Management Limited（清盤中），於本公司已發行股本中擁有約0.13%權益；及Todaytech Asia Limited（清盤中），於本公司已發行股本中擁有約0.02%權益。年內支付予羅申美之專業費總額約為3,113,000港元。

Engagement of professional services from Alvarez & Marsal Asia Limited ("A&M Asia")

In July 2005, RSMNW transferred its business to A&M Asia, the Company entered into the Second Engagement with A&M Asia for the purpose of strengthening and improving control and monitoring of the Group's finances, operations and corporate governance for a period of up to six months from 8 July 2005 until 7 January 2006. Mr. Flynn and Mr. Borrelli together control more than 30% of the voting shares of A&M and are directors of the Company and A&M. In addition, both Mr. Flynn and Mr. Borrelli are the joint and several liquidators of Forefront International Limited (In Liquidation) which is a substantial shareholder of the Company as explained in the First Engagement with RSMNW above. A&M Asia is a connected person by virtue of it being an associate of Mr. Flynn and Mr. Borrelli. Accordingly, the transactions contemplated under the A&M Asia engagement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. During the year, the total amount of professional fee paid to A&M Asia was approximately HK\$2,887,000.

Distributor Agreements with Scania

Scania Trade Development, a wholly-owned subsidiary of Scania, increased its equity interest in the Company from approximately 4.76% to 16.23% on 12 May 2005 and became a substantial shareholders, and therefore Scania is a connected person of the Company by virtue of it being an associate of Scania Trade Development, as such Scania's ongoing trading relationship with the Group therefore constitutes a continuing connected transaction as defined in the Listing Rules.

安邁顧問有限公司（「安邁」）的專業服務委聘

於二零零五年七月，羅申美將其業務轉讓予安邁，本公司與安邁就加強及改善對本集團之融資、經營及企業管治的控制和監察訂立第二委聘，由二零零五年七月八日起至二零零六年一月七日止為期六個月。Flynn先生及Borrelli先生合共控制安邁逾30%有投票權股份，且為本公司及安邁之董事。此外，如上文之羅申美第一委聘所闡述，Flynn先生及Borrelli先生為本公司主要股東福方股份有限公司（清盤中）之共同及個別清盤人。由於安邁為Flynn先生及Borrelli先生之聯繫人士，故安邁為關連人士。因此，根據上市規則第14A條，委聘項下擬進行之交易構成本公司之關連交易。年內支付予安邁之專業費總額約為2,887,000港元。

與Scania訂立之經銷商協議

於二零零五年五月十二日，Scania之全資附屬公司Scania Trade Development將其於本公司之股本權益由約4.76%增加至16.23%，成為主要股東之一；由於Scania為Scania Trade Development之聯繫人士，故Scania為本公司之關連人士，故此，Scania與本集團之持續業務關係構成上市規則所定義之持續關連交易。

On 26 April 2000, the Group and Scania entered into the Taiwan Distributor Agreement and the Existing Distributor Agreements in respect of the distribution of the Scania Products in Taiwan, Hong Kong, Macau and PRC for an initial term of two years which had been renewed twice on 26 April 2002 for two years and then on 26 April 2004 for further two years. On 29 December 2003, the distributor agreement for the PRC was amended and under the amended terms, Scania is entitled to establish or work with other contract workshops in the PRC which may be developed into fully-fledged local Scania dealers and Forefront International (Hong Kong) Limited ("FIHK"), an indirect wholly-owned subsidiary of the Company, is recognised as a fully-fledged local Scania dealer for Shenzhen and Zhuhai in the PRC. On 19 April 2005, the Group received from Scania a notice of termination of the Taiwan Distributor Agreement and the Existing Distributor Agreements with effect after 26 April 2006. For the period from 12 May 2005 to 31 December 2005, the total transaction amount under the Taiwan Distributor Agreement and the Existing Distributor Agreements received by the Group from Scania was approximately HK\$40,386,000. Further details of the respective agreements were set out in the Company's circular dated 15 February 2006.

Disposal of 100% equity interests in Griffin to Scania

On 23 December 2005, the Group entered into an agreement with Scania to dispose of its entire issued share capital of Griffin, which was incorporated on 17 May 2005 to carry out operations in Taiwan, to Scania for a cash consideration of US\$1,004,140. The sale generated a profit of approximately HK\$7,953,000. Since then, the transactions contemplated under the Taiwan distributor agreement have ceased. Scania is a connected person of the Company by virtue of it being an associate of Scania Trade Development, as such the Disposal constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. More details regarding the disposal of Griffin are set out in note 4(d) to the financial statements and the Company's announcement dated 23 December 2005.

於二零零零年四月二十六日，本集團與Scania就於台灣、香港、澳門及中國分銷Scania產品訂立台灣經銷商協議及現有經銷商協議，初步為期兩年，已於二零零二年四月二十六日續期兩年及於二零零四年四月二十六日再續期兩年。於二零零三年十二月二十九日，中國的經銷商協議經修訂，根據經修訂條款，Scania有權在中國成立或與其他合約廠房合作，該等廠房可發展成全面的Scania本地經銷商，而本公司之間接全資附屬公司福方（香港）有限公司（「福方香港」）已被視為中國深圳及珠海的全面Scania經銷商。於二零零五年四月十九日，本集團接獲Scania發出之終止台灣經銷商協議及現有經銷商協議之通告，由二零零六年四月二十六日起生效。由二零零五年五月十二日至二零零五年十二月三十一日止期間，本集團自Scania收取之台灣經銷商協議及現有經銷商協議項下之總交易金額約為40,386,000港元。各份協議之詳情載於本公司於二零零六年二月十五日刊發之通函。

出售於永德福汽車股份有限公司之100%權益

於二零零五年十二月二十三日，本集團與Scania訂立協議，向Scania出售其持有之永德福之全部已發行股本，代價為現金1,004,140美元。永德福於二零零五年五月十七日註冊成立，以經營在台灣業務。該項出售產生溢利約7,953,000港元。自此，台灣經銷商協議項下擬進行之交易已終止。由於Scania為Scania Trade Development之聯繫人，故Scania為本公司之關連人士，因此，根據上市規則第14A條，出售事項構成本公司之關連交易。有關出售永德福之詳情，請參閱本公司於財務報表附註4(d)及二零零五年十二月二十三日刊發之公佈。

On 23 December 2005, the Group and Scania entered into the New Distributor Agreements for Hong Kong, Macau, Zhenzhen and Zhuhai for an initial period of 30 months commencing from 27 April 2006. The New Distributor Agreements shall thereafter be automatically renewed for successive two-year periods unless terminated by at least 12 months' notice to expire on the last day of the Initial Period or any subsequent two-year period. The new Distributor Agreements were approved by the Company's Independent shareholders at the extraordinary general meeting ("EGM") held on 17 March 2006. These agreements constituted continuing connected transactions of the Company under Listing Rules. Further details in relation to the New Distributor Agreements were set out in the Company's circular dated 15 February 2006 and the Results of EGM dated 17 March 2006.

The directors (including the independent non-executive directors) are of the view that the above transactions were entered on normal commercial terms, fair and reasonable. The transactions have been entered into in accordance with the relevant agreements governing on terms that are in the interests of the Company and its shareholders as a whole. These transactions also constitute related party transactions of the Group during the year and are set out in note 29 to the financial statements pursuant to the requirements under Chapter 14A of the Listing Rules.

於二零零五年十二月二十三日，本集團與Scania訂立於香港、澳門、深圳及珠海的新經銷商協議，由二零零六年四月二十七日起初步為期30個月。新經銷商協議期後將獲自動續期兩年，除非給予最少12個月通知，於初步期間或任何繼後兩年期間最後一天屆滿時予以終止。新經銷商協議已獲本公司獨立股東於二零零六年三月十七日舉行之股東特別大會（「股東特別大會」）上批准。根據上市規則，該等協議構成本公司之持續關連交易。有關新經銷商協議之詳情，請參閱本公司於二零零六年二月十五日刊發之公佈以及於二零零六年三月十七日刊發之股東特別大會結果。

董事（包括獨立非執行董事）認為，以上交易乃按一般正常及公平合理之商業條款訂立。該等交易乃根據規管符合本公司及其股東整體利益之條款之相關協議訂立。根據上市規則第14A條，該等交易亦構成本集團年內之有關連人士交易，並載於財務報表附註29內。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors who held office during the year and up to the date of this report were:

Executive directors

Mr. Kelvin Edward Flynn

Non-executive directors

Mr. Arne Karlsson (appointed on 1 June 2005)

Mr. Paul Gerard Davies

Mr. Cosimo Borrelli

Independent non-executive directors

Mr. Lau Siu Ki, Kevin

Mr. Cheong Ying Chew, Henry

Mr. Alistair Macleod

In accordance with the Articles of Association of the Company, Mr. Lau Siu Ki, Kevin and Mr. Cheong Ying Chew, Henry will retire from office and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Mr. Paul Gerard Davies was re-elected at last annual general meeting shall retire from the office of Director by rotation and has not made himself available for re-election at the forthcoming annual general meeting. The other directors continue in office.

DIRECTORS' SERVICE CONTRACTS

None of the directors has an unexpired service contract with the Company, which is not terminable by the Company within one year without payment of compensation other than statutory compensation.

董事及董事之服務合約

本年度及截至本報告發佈當日任職的董事如下：

執行董事

Kelvin Edward Flynn先生

非執行董事

Arne Karlsson先生

(於二零零五年六月一日任命)

Paul Gerard Davies先生

Cosimo Borrelli先生

獨立非執行董事

劉紹基先生

張英潮先生

Alistair Macleod先生

根據本公司的組織章程細則，劉紹基先生及張英潮先生將於本公司之應屆股東週年大會上退任，惟合乎資格，且願膺選連任。Paul Gerard Davies先生於上屆股東週年大會上獲選連任，彼將輪席退任董事一職，惟不會於應屆股東週年大會上膺選連任。其他董事繼續留任。

董事服務合約

所有董事與本公司之間無任何尚未屆滿且本公司不可於一年內免付補償（法定補償除外）而終止的服務合約。

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2005, the interests and short positions of the Directors and the Company's chief executives in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

Name 姓名	Nature of interests 權益性質	Number of shares 股份數目	% of voting right 投票權%
Kelvin Edward Flynn and Cosimo Borrelli	Corporate (Note 1)	31,331,464	7.19%
Kelvin Edward Flynn 及 Cosimo Borrelli	公司(附註1)		
Liu Chen Wei, Jerry 劉振偉	Corporate (Note 2)	30,700,000	7.04%
	公司(附註2)		

Notes:

- Mr. Kelvin Edward Flynn and Mr. Cosimo Borrelli act in the following capacity with respect to certain Shareholders:
 - Forefront International Limited (In Liquidation) ("FIL"): Mr. Flynn was appointed Joint and Several Provisional Liquidator of FIL with effect from 7 June 2004. Subsequently, Mr. Flynn and Mr. Borrelli were appointed Joint and Several Liquidators of FIL with effect from 7 February 2005. As at 31 December 2005, FIL held 30,700,000 shares of the Company, or 7.04% of total issued share capital.
 - Ever Wealth Management Limited (In Liquidation) ("EWL"): Mr. Flynn was appointed Joint and Several Provisional Liquidator of EWL with effect from 7 June 2004. Subsequently, Mr. Flynn and Mr. Borrelli were appointed Joint and Several Liquidators of EWL with effect from 1 February 2005. As at 31 December 2005, EWL held 550,000 shares of the Company, or 0.13% of total issued share capital. EWL indirectly held a further 81,464 shares (0.02%) through its wholly-owned subsidiary Todaytech Asia Limited (In Liquidation).

董事的股份權益

於二零零五年十二月三十一日，於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及8分部之規定知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之條文被當作或被視作擁有之權益及淡倉），或須根據證券及期貨條例第352條登記於該條例所述之登記冊內之權益及淡倉之本公司董事及行政總裁如下：

附註：

- Kelvin Edward Flynn先生及Cosimo Borrelli先生於本公司若干附屬公司之身份如下：
 - 福方股份有限公司（清盤中）（「FIL」）：Flynn先生自二零零四年六月七日起獲委任為FIL之共同及個別臨時清盤人。其後，Flynn先生與Borrelli先生獲委任為FIL之共同及個別清盤人，自二零零五年二月七日起生效。於二零零五年十二月三十一日，FIL持有本公司30,700,000股股份，佔本公司已發行股本總額7.04%。
 - Ever Wealth Management Limited（清盤中）（「EWL」）：Flynn先生自二零零四年六月七日起獲委任為EWL之共同及個別臨時清盤人。其後，Flynn先生與Borrelli先生獲委任為EWL之共同及個別清盤人，自二零零五年二月一日起生效。於二零零五年十二月三十一日，EWL持有本公司550,000股股份，佔本公司已發行股本總額0.13%。EWL透過其全資附屬公司Todaytech Asia Limited（清盤中）間接持有額外81,464股股份（0.02%）。

(c) Todaytech Asia Limited (In Liquidation) ("Todaytech"): Mr. Flynn and Mr. Borrelli were appointed Joint and Several Liquidators of Todaytech with effect from 1 December 2004. As at 31 December 2005, Todaytech held 81,464 shares of the Company, or 0.02% of total issued share capital. Todaytech is a wholly-owned subsidiary of EWL.

2. Mr. Liu Chen Wei, Jerry, the Chief Executive Officer of the Group, is a shareholder of FIL. Mr. Liu holds 7.92% of the issued share capital of FIL.

Save as disclosed above, as at 31 December 2005, none of the Directors or the Company's chief executives, had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company. Details of the scheme are set out in Note 22 to the financial statements. As at 31 December 2005, no option has been granted to the Company's directors under the share option scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable any of the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

(c) Todaytech Asia Limited (清盤中) ("Todaytech"): Flynn先生與Borrelli先生獲委任為Todaytech之共同及個別清盤人，自二零零四年十二月一日起生效。於二零零五年十二月三十一日，Todaytech持有本公司81,464股股份，佔本公司已發行股本總額0.02%。Todaytech為EWL之全資附屬公司。

2. 劉振偉先生，本集團行政總裁，為FIL股東，持有FIL已發行股本之7.92%

除上文所披露者外，於二零零五年十二月三十一日，概無本公司董事及行政總裁於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及8分部之規定知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例之條文被當作或被視作擁有之權益及淡倉），或須根據證券及期貨條例第352條登記於該條例所述之登記冊內，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聯交所之權益或淡倉。

董事購買股份或債權證之權利

本公司設有購股權計劃，據此，本公司可向本集團僱員（包括本公司的執行董事）授出購股權，以認購本公司的股份。該計劃的詳情載於附隨之帳目附註22內。於二零零五年十二月三十一日，並無根據購股權計劃向本公司的董事授出任何購股權。

除上文所披露者外，於本年度任何時間內，本公司或其附屬公司或控股公司並無訂立任何安排，致令本公司董事或其管理層成員可藉購買本公司或任何其他法團的股份或債務證券（包括債權證）而獲益。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the preceding paragraph, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party and in which any of the Company's directors or members of its management had a material interest whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

The following table set forth information regarding ownership of, and short positions in, the outstanding shares as at 31 December 2005 by those persons who beneficially own more than 5% of the issued shares, as recorded in the register maintained by the Company pursuant to Part XV of the Securities and Futures Ordinance.

Name 名稱	Number of shares (long position) 股份 (好倉) 數目	% of voting right (long position) 投票權 (好倉) 百分比	Number of shares (short position) 股份 (淡倉) 數目	% of voting right (short position) 投票權 (淡倉) 百分比
Scania Trade Development AB	98,204,000	22.54%	-	-
The International Commercial bank of China Co. Ltd 中國國際商業銀行股份有限公司	65,388,805	15.01%	-	-
Caisse Des Depots Et Consignation (Note 2) (附註2)	48,480,931	11.13%	-	-
CDC Holding Finance (Note 2) (附註2)	48,480,931	11.13%	-	-
Caisse Nationale Des Caisse Depargne Et De Prevoyance (Note 2) (附註2)	48,480,931	11.13%	-	-
CIE Financiere Eulia (Note2) (附註2)	48,480,931	11.13%	-	-
CDC Ixis (Note 2) (附註2)	48,480,931	11.13%	-	-
Nexgen Financial Holdings Limited (Note 2) (附註2)	48,480,931	11.13%	-	-
Nexgen Re Limited (Note 2) (附註2)	48,480,931	11.13%	-	-
Nexgen Capital Limited (Note 2) (附註2)	48,480,931	11.13%	-	-
Hsieh, Tsung-Wen 謝聰文	44,869,734	10.30%	-	-
Aeneas Portfolio Company, L.P.	36,426,000	8.36%	-	-
Forefront International Limited (In Liquidation) ("FIL") (Note 1 & 3) 福方股份有限公司 (清盤中) (附註1及3)	30,700,000	7.04%	-	-
Jetwide Limited (Note 1) (附註1)	30,700,000	7.04%	-	-

董事在合約之權益

除上段所披露者外，在本公司或其任何附屬公司或控股公司所訂立，並且於年結日或本年度內仍然生效及關於本集團業務之任何重大合約上，本公司董事或管理層成員並無直接或間接擁有任何重大權益。

主要股東

下表載列於二零零五年十二月三十一日，本公司根據證券及期貨條例第XV部存置之名冊所記錄，實益擁有已發行股份5%以上的人士於本公司已發行股份之擁有權及淡倉。

Notes:

- (1) Jetwide Limited owns 45% of the issued share capital of FIL. Therefore these interests are duplicated to the extent of 30,700,000 shares.
- (2) The issued share capital of Nexgen Capital Limited is wholly-owned by Nexgen Re Limited, which is in turn wholly-owned by Nexgen Financial Holdings Limited, which is in turn owned as to 39% by CDC Ixis, which is in turn owned as to 53% by CIE Financiere Eulia ("CIEFE") and as to 43.55% by Caisse Des Depots Et Consignation ("CDDEC").

The issued share capital of CIEFE is owned as to 49.9% by Caisse Nationale Des Caisse Depargne Et De Prevoyance ("CNDCEDEP") and as to 50.1% by CDC Holdings Finance. The issued share capital of CNDCEDEP is owned as to 35% by CDC Holding Finance which is in turn wholly-owned by CDDEC. Therefore the long position interests are duplicated to the extent of 339,366,517 shares.
- (3) Mr. Liu Chen Wei, Jerry, the Chief Executive Officer of the Group, is a shareholder of FIL. Mr. Liu holds 7.92% of the issued share capital of FIL.

SUFFICIENCY OF PUBLIC FLOAT

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

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to attendance of the forthcoming annual general meeting, on Wednesday 24 May 2006 and Thursday 25 May 2006, during which period no transfer of shares will be registered. In order to attend the forthcoming annual general meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Tengis Limited, at Level 26, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, no later than 4:00 p.m. on Tuesday 23 May 2006.

MANAGEMENT CONTRACTS

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

附註:

- (1) Jetwide Limited擁有FIL已發行股本之45%，故此該等權益涉及30,700,000股重疊的股份。
- (2) Nexgen Capital Limited的已發行股本由Nexgen Re Limited全資擁有，Nexgen Re Limited則由Nexgen Financial Holdings Limited全資擁有，Nexgen Financial Holdings Limited由CDC Ixis擁有39%，CDC Ixis由CIE Financiere Eulia（「CIEFE」）和Caisse Des Depots Et Consignation（「CDDEC」）分別擁有53%及43.55%。

CIEFE的已發行股本由Caisse Nationale Des Caisse Depargne Et De Prevoyance（「CNDCEDEP」）與CDC Holding Finance分別擁有49.9%及50.1%。CNDCEDEP的已發行股本由CDC Holding Finance擁有35%，而CDC Holding Finance則由CDDEC全資擁有。故此，好倉權益涉及339,366,517股重疊的股份。
- (3) 劉振偉先生，本集團行政總裁，為FIL股東，持有FIL已發行股本之7.92%

公眾持股量

根據本公司公開獲得資料及據本公司董事於本年度日期所知，本公司已維持上市規則規定之公眾持股量。

暫停辦理股份過戶登記

本公司將於二零零六年五月二十四日星期三及二零零六年五月二十五日星期四，暫停辦理股份過戶登記手續，以確定有權出席應屆股東週年大會的股東資格，在該段期間內，將不會進行股份過戶登記。為出席應屆股東週年大會，股東應確保所有過戶文件連同有關股票，最遲於二零零六年五月二十三日星期二下午四時正交到本公司的股份過戶登記處——登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

管理合約

本年度，概無訂立或存在關於本公司全部或任何重大部分業務的管理或行政合約。

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 30 to 37.

AUDITORS

Messrs PricewaterhouseCoopers audited the Company's financial statements for the years ended December 2003 and 2004. In January 2005, Messrs PricewaterhouseCoopers resigned and in February 2005 the Directors appointed Messrs. Moores Rowland Mazars to fill the casual vacancy. Apart from the above, there has been no change in auditors of the Group in any of the preceding three years.

The accompanying financial statements were audited by Messrs Moores Rowland Mazars. A resolution for the re-appointment of Messrs. Moores Rowland Mazars as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board of Directors,

Kelvin Edward Flynn

Executive Director

Hong Kong, 21 April 2006

最佳應用守則

本公司採納之主要企業管治應用守則載於30頁至37頁之企業管治報告。

核數師

本公司截至二零零三年及二零零四年十二月止年度之財務報表由羅兵咸永道會計師事務所審核。於二零零五年一月羅兵咸永道會計師事務所辭任，董事遂於二零零五年二月任命摩斯倫•馬賽會計師事務所填補空缺。除此上文所披露者，在前三年內任何一年，本集團的核數師概無任何變動。

隨附財務報表由摩斯倫•馬賽會計師事務所審核。在即將舉行的股東週年大會上將會提呈決議案，重新任命摩斯倫•馬賽會計師事務所為本公司來年度的核數師。

代表董事會

執行董事

Kelvin Edward Flynn

香港，二零零六年四月二十一日