



Director's Report

董事會報告

The directors herein present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 December 2004.

Principal activities

The principal activity of the Company consists of investment holding. Details of the principal activities of the principal subsidiaries are set out in note 14 to the financial statements.

Financial statements

The profit and cash flows of the Group for the year ended 31 December 2004 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 25 to 96.

Dividends

The directors do not recommend the payment of any dividend in respect of the year.

Summary financial information

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years is set out below.

董事會謹此向各股東提呈董事會報告及本公司與本集團截至二零零四年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司的主要業務之詳情載於財務報表附註14。

財務報表

本集團截至二零零四年十二月三十一日止年度之虧損及現金流量及本公司與本集團於該日之財務狀況載於第25頁至第96頁之財務報表。

股息

董事會不建議派發本年度股息。

財務資料概要

本集團最近五個財政年度之業績及資產、負債及少數股東權益概要如下。

Director's Report

董事會報告

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Turnover	營業額	46,441	46,692	62,631	77,869	143,765
Profit/(loss) before tax	除稅前盈利／(虧損)	22,860	(38,499)	(113,327)	(46,500)	(154,424)
Tax	稅項	(589)	(1,533)	(2,671)	1,188	4,621
Profit/(loss) before minority interests	未計少數股東權益前盈利／(虧損)	22,271	(40,032)	(115,998)	(45,312)	(149,803)
Minority interests	少數股東權益	79	(1,094)	20	(754)	(1,804)
Profit/(loss) attributable to shareholders	股東應佔盈利／(虧損)	22,350	(41,126)	(115,978)	(46,066)	(151,607)

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Total assets	總資產	2,412,238	1,831,110	1,866,391	1,751,340	1,997,391
Total liabilities	總負債	(599,442)	(603,446)	(605,482)	(520,789)	(522,564)
Minority interests	少數股東權益	(3,052)	(3,159)	(2,090)	(2,186)	3,023
Net assets	資產淨值	1,809,744	1,224,505	1,258,819	1,228,365	1,477,850



Director's Report

董事會報告

Fixed assets and property held for future development

Details of movements in the fixed assets and property held for future development of the Group are set out in notes 12 and 13 to the financial statements, respectively.

Share capital and share options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 27 and 28 to the financial statements, respectively.

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.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 29 to the financial statements and in the consolidated summary statement of changes in equity.

Distributable reserves

At 31 December 2004, the Company's reserves available for distribution calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) amounted to HK\$1,377,769,241. In addition, the Company's share premium account, in the amount of HK\$196,872,753, may be distributed in the form of fully paid bonus shares.

Charitable contributions

During the year, the Group made charitable contributions totalling HK\$64,000 (2003: HK\$64,000).

固定資產及持作日後發展之物業

本集團固定資產及持作日後發展之物業之變動詳情分別載於財務報表附註12及13。

股本及購股權

年內，本公司股本及購股權之變動詳情連同變動之理由載於財務報表附註27及28。

優先購股權

本公司之公司細則或百慕達之法例均無規定本公司必須按比例向現有股東優先配售新股。

儲備

年內本公司及本集團之儲備變動詳情載於財務報表附註29及綜合權益變動概要報表。

可分派儲備

於二零零四年十二月三十一日，根據百慕達一九八一年公司法（經修訂）計算之本公司之可供分派儲備為1,377,769,241港元。此外，本公司之股份溢價賬為196,872,753港元，可供以繳足紅股方式分派。

慈善捐款

本年度，本集團共捐出64,000港元（二零零三年：64,000港元）作為慈善捐款。

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 30% (2003: less than 30%) of the total sales for the year.

Purchases from the Group's five largest suppliers accounted for less than 30% (2003: less than 30%) of the total purchases for the year.

Directors

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

Executive directors:

Cheong Pin Chuan, Patrick

Cheong Kim Pong

Cheong Sim Eng

Cheong Pin Seng (*resigned on 12 January 2005*)

Independent non-executive directors:

Kan Fook Yee

Lai Hing Chiu, Dominic

Chan Yee Hoi, Robert (*appointed on 22 September 2004*)

Non-executive director:

Lim Ghee

In accordance with bye-law 87 of the Company's bye-laws, Messrs. Cheong Sim Eng and Kan Fook Yee will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' service contracts

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

主要客戶及供應商

於回顧年度內，本集團之五個最大客戶所佔之銷售額佔全年總銷售額少於30%（二零零三年：少於30%）。

本集團向五個最大供應商之購貨額佔全年總購貨額少於30%（二零零三年：少於30%）。

董事

於本年度任職之董事為：

執行董事：

鍾斌銓

鍾金榜

鍾樂榮

鍾斌盛（於二零零五年一月十二日辭任）

獨立非執行董事：

簡福飴

黎慶超

陳以海（於二零零四年九月二十二日獲委任）

非執行董事：

林 義

根據本公司細則第87條，鍾樂榮先生及簡福飴先生將會告退，惟願於即將舉行之股東週年大會上膺選連任。

董事之服務合約

建議於即將舉行之股東週年大會候選連任之董事並無與本公司訂立不可由本公司於一年內無需支付賠償（法定賠償除外）而終止之服務合約。

Director's Report

董事會報告

Directors' interests

At 31 December 2004, the interests and short positions of directors and chief executive in shares, underlying shares and debentures of the Company and its associated corporations as required to be disclosed under and within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") were as follows:

(i) **Long positions in shares and underlying shares of the Company:**

Name of director 董事姓名		Type of interests and number of shares held 權益類別及所持股份數目		Number of shares 所持股份數目	Total 總額	Percentage 其他
		Corporate 公司	Family 家族			
		Note 附註				
Cheong Pin Chuan, Patrick	鍾斌銓	602,645,787	3,397,000	–	606,042,787	41%
Cheong Kim Pong	鍾金榜	602,645,787	–	–	602,645,787	40%
Cheong Sim Eng	鍾樂榮	602,645,787	–	–	602,645,787	40%
Lim Ghee	林 義	602,645,787	–	–	602,645,787	40%
Cheong Pin Seng	鍾斌盛	602,645,787	–	–	602,645,787	40%

Note: These directors were deemed to have corporate interests in the shares in the Company by virtue of their beneficial interests in the shares in Hong Fok Corporation Limited ("HFC"), a substantial shareholder of the Company. The 602,645,787 shares represented the same interests and were duplicated amongst these directors.

Subsequent to the balance sheet date, share options were granted to the directors on 18 January 2005. Details of which are set out in note 28 to the financial statements.

董事之權益

於二零零四年十二月三十一日，董事及主要行政人員於本公司及其聯營公司之股份、相關股份及債券中，擁有根據證券及期貨條例（「證券及期貨條例」）第XV部之涵義及按此須予披露之權益及淡倉如下：

(i) 於本公司股份及相關股份之長倉

附註：由於該等董事實益擁有本公司主要股東鴻福實業有限公司（「鴻福實業」）的股份權益，故被視為持有本公司股份之公司權益。該602,645,787股股份乃指同一項權益，而在該等董事之間重複呈列。

結算日後，於二零零五年一月十八日，董事獲授予購股權。詳情於財務報表附註28中列出。

Director's Report

董事會報告

Directors' interests (CONTINUED)

董事之權益 (續)

(ii) Long positions in shares of an associated corporation – HFC

(ii) 於一間聯營公司—鴻福實業之權益之 長倉

Name of director 董事姓名	Type of interests and number of shares held 權益類別及所持股份數目				Total 總額	Percentage 百分比
	Personal 個人	Family 家族	Corporate 公司 (Note a) 附註(a)	Other 其他 (Note b) 附註(b)		
Cheong Pin Chuan, Patrick 鍾斌銓	5,163,140	1,125,300	93,503,912	121,336,000	221,128,352	36.88%
Cheong Kim Pong 鍾金榜	2,571,980	503,000	93,503,912	121,336,000	217,914,892	36.34%
Cheong Sim Eng 鍾榮榮	60,090,000	207,000	27,326,512	121,336,000	208,959,512	34.85%
Lim Ghee 林 義	–	–	–	121,336,000	121,336,000	20.24%
Cheong Pin Seng 鍾斌盛	3,024,376	101,200	93,497,312	121,336,000	217,958,888	36.35%

Notes:

附註：

- (a) These shares were beneficially held by a number of companies in which the directors had beneficial interests.
- (b) These shares were beneficially held by Winfoong Holding Limited, a wholly-owned subsidiary of the Company. The directors were deemed to have interests in the shares in HFC by virtue of their direct and indirect interests in the Company.

- (a) 該等股份由董事擁有實益權益之多間公司實益擁有。
- (b) 該等股份由本公司之全資附屬公司榮豐控股團有限公司實益擁有。由於董事直接及間接持有本公司之權益，故被視為擁有鴻福實業股份之權益。

Save as disclosed above, as at 31 December 2004, none of the directors and the chief executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be 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 in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

除上文所披露者外，於二零零四年十二月三十一日，根據證券及期貨條例第XV部第7及8分部，概無本公司之董事及主要行政人員被當作或視作於本公司及其聯營公司之股份、相關股份及債券中，擁有任何其他權益或淡倉而須於本公司根據證券及期貨條例第352條所置存之登記冊中記錄或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則須知會本公司及聯交所。

Share option schemes

The Company operates a share option scheme, further details of which are set out in note 28 to the financial statements.

Directors' rights to acquire shares

Apart from as disclosed under the sections headed "Directors' interests" and "Share option schemes" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in contracts

No contracts 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 subsisted at the end of year or at any time during the year.

購股權計劃

本公司設有一項購股權計劃，有關詳情載於財務報表附註28。

董事購入股份之權利

除根據上文「董事之權益」及「購股權計劃」兩節作出之披露外，本公司或其任何附屬公司於本年度並無參與任何安排，致令本公司任何董事、彼等各自之配偶或年齡未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事於合約之權益

概無訂立於年終或年內任何時間生效，對本公司或其任何附屬公司為訂約方及對彼等屬重大，且本公司董事擁有重大權益之合約。

Director's Report

董事會報告

Substantial shareholders' and other persons' interests

At 31 December 2004, the following persons (not being directors or chief executive of the Company) had an interest in the following long positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

主要股東及其他人士之權益

於二零零四年十二月三十一日，下列人士（本公司董事或主要行政人員除外）按照本公司根據證券及期貨條例第336條之規定所置存之登記冊所記錄、於本公司之股份或相關股份中之長倉中擁有權益。

Name	名稱	Note 附註	Number of shares held 所持股份數目			
			Direct 直接	Indirect 間接	Total 總額	Percentage 百分比
HFL International Consortium Limited ("HFL")	HFL International Consortium Limited (「HFL」)		555,202,784	–	555,202,784	37%
Hong Fok Enterprises Limited ("HFE")	鴻福貿易有限公司 (「鴻福貿易」)	(i)	–	555,202,784	555,202,784	37%
Hong Fok Investment Holding Company, Limited ("HFIH")	鴻福有限公司 (「鴻福」)	(ii)	47,443,003	555,202,784	602,645,787	40%
Hong Fok Corporation Limited ("HFC")	鴻福實業有限公司 (「鴻福實業」)	(iii)	–	602,645,787	602,645,787	40%
Barragan Trading Corp.	Barragan Trading Corp.		285,312,566	–	285,312,566	19%
Praise Time Co Limited	Praise Time Co Limited		136,000,000	–	136,000,000	9%

Notes:

附註：

- (i) HFE was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFL, did in the issued share capital of the Company by virtue of HFE's interest in HFL.
- (ii) HFIH was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFE, did in the issued share capital of the Company by virtue of HFIH's interest in HFE. In addition, HFIH was directly interested in approximately 3% of the issued share capital of the Company.
- (iii) HFC was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFIH, did in the issued share capital of the Company by virtue of HFC's interest in HFIH.

- (i) 由於鴻福貿易持有HFL之權益，故鴻福貿易擁有本公司已發行股本之實際權益被視為與其全資附屬公司HFL所擁有者相同。
- (ii) 由於鴻福持有鴻福貿易之權益，故鴻福擁有本公司已發行股本之實際權益被視為與其全資附屬公司鴻福貿易所擁有者相同。此外，鴻福直接持有本公司已發行股本約3%之權益。
- (iii) 由於鴻福實業持有鴻福之權益，故鴻福實業擁有本公司已發行股本之實際權益被視為與其全資附屬公司鴻福所擁有者相同。

Substantial shareholders' and other persons' interests (CONTINUED)

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares and underlying shares of the Company as at 31 December 2004.

Purchase, sale and 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.

Code of best practice

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting year covered by the annual report.

Audit committee

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

主要股東及其他人士之權益 (續)

除上文所披露者外，於二零零四年十二月三十一日，按照本公司根據證券及期貨條例第336條之規定所置存之登記冊所記錄，概無其他人士於本公司之股份及相關股份擁有權益或淡倉。

購買、出售及贖回本公司上市證券

本公司及其附屬公司於年內概無購入、出售或贖回任何本公司上市證券。

最佳應用守則

董事認為，本公司於年報所涵蓋之整個會計年度均一直遵守上市規則附錄十四所載之最佳應用守則。

審核委員會

本公司遵照最佳應用守則之規定成立審核委員會，以審閱及監督本集團之財務匯報程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。



Director's Report

董事會報告

Auditors

Messrs. PKF retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Cheong Pin Chuan, Patrick

Chairman

Hong Kong

28 February 2005

核數師

梁學濂會計師事務所任滿告退，在即將舉行之股東週年大會上將提呈決議案，續聘其為本公司之核數師。

代表董事會

主席

鍾斌銓

香港

二零零五年二月二十八日