

The directors have pleasure in submitting the annual report together with the audited financial statements of Arnhold Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are shown in note 15 to the accounts.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 2 to the accounts.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company’s share capital) had an interest in these major customers or suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2004 are set out in the consolidated profit and loss account on page 30.

The directors resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2004.

The directors recommended the payment of a final dividend of HK4.4 cents per ordinary share totaling HK\$9,878,000 for the year ended 31 December 2004.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 26 to the accounts.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to HK\$48,000 (2003: HK\$254,000).

董事會謹此呈奉截至二零零四年十二月三十一日止年度安利控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）之業績報告及經審核賬目，敬祈省覽。

主要業務及營運地區之分析

本公司之主要業務為投資控股。各附屬公司之主要業務及其他詳情列載於賬目附註15。

本年度按業務及地區分類之集團業績表現所作之分析載於賬目附註2。

本公司的董事、聯繫人士或任何股東（據董事所知，持有本公司股本5%或以上），並無於本年度任何時間擁有上述主要客戶或供應商的任何權益。

業績及分派

集團本年度之業績載於第30頁之綜合損益表內。

董事會已議決不派發截至二零零四年六月三十日止六個月之中期股息。

董事會建議派發截至二零零四年十二月三十一日止年度之末期股息，每股普通股份港幣4.4仙，股息總額約為約港幣9,878,000元。

儲備

本年內本集團及本公司之儲備變動詳情列載於賬目附註26。

慈善捐款

於本年內，本集團之捐款金額約達港幣48,000元（二零零三年：約港幣254,000元）。

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 14 to the accounts.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment purposes are set out on page 87.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 25 to the accounts.

FIVE-YEAR FINANCIAL 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 page 86.

RETIREMENT SCHEMES

Particulars of the retirement schemes of the Group and the Company as at 31 December 2004 are set out in note 8 to the accounts.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31 December 2004. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda in relation to issue of new shares by the Company.

固定資產

本集團固定資產之變動詳情列載於賬目附註14。

主要物業

持作投資用途之主要物業詳情載於第87頁。

股本

本公司股本之變動詳情列載於賬目附註25。

五年財務摘要

本集團最近五個財政年度之業績及資產負債摘要載於第86頁。

退休金計劃

本集團及本公司於二零零四年十二月三十一日的退休金計劃詳情載於賬目附註8。

購入、出售或贖回股份

於截至二零零四年十二月三十一日止年度，本公司並無贖回任何本公司股份。年內本公司或其各附屬公司亦概無購買或出售任何本公司股份。

優先購買權

百慕達法例概無就本公司發行新股有關之優先購買權作出規定。

DIRECTORS

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

Executive directors:

Michael John Green

(also appointed as an alternate director to Mr. Simon Murray)

Lai Ka Tak, Patrick

Daniel George Green *(appointed on 1 January 2004)*

Woo Chun Yu, Adolf *(resigned on 31 August 2004)*

Leung Tak Tong, Eric *(resigned on 21 September 2004)*

Non-executive directors:

Augustus Ralph Marshall

Christopher John David Clarke

(re-designated as a non-executive director on 17 September 2004)

Independent non-executive directors:

V-Nee Yeh

Simon Murray

(re-designated as an independent non-executive director on 17 September 2004)

Thaddeus Thomas Beczak *(appointed on 17 May 2004)*

In accordance with bye-law 87(1) of the Company's bye-laws, Messrs Simon Murray and Augustus Ralph Marshall retire by rotation and, being eligible, offer themselves for re-election.

In accordance with bye-law 86(2) of the Company's bye-laws, Mr. Thaddeus Thomas Beczak who was appointed on 17 May 2004 retires at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

董事

於本年內及截至本報告日期止，本公司之董事如下：

執行董事：

米高•葛林

(亦委任為馬世民之替代董事)

黎嘉得

丹尼•葛林 *(於二零零四年一月一日獲委任)*

胡鎮宇 *(於二零零四年八月三十一日辭任)*

梁德堂 *(於二零零四年九月二十一日辭任)*

非執行董事：

Augustus Ralph Marshall

簡基華

(於二零零四年九月十七日調任為非執行董事)

獨立非執行董事：

葉維義

馬世民

(於二零零四年九月十七日調任為獨立非執行董事)

Thaddeus Thomas Beczak

(於二零零四年五月十七日獲委任)

根據本公司組織章程細則87(1)條，馬世民先生及Augustus Ralph Marshall先生輪值告退，並膺選連任。

根據本公司組織章程細則86(2)條，Thaddeus Thomas Beczak先生將於來屆股東週年大會告退，並膺選連任。

DIRECTORS (continued)

The Company has received annual confirmation of independence from each of Messrs. V-Nee Yeh, Simon Murray and Thaddeus Thomas Beczak wherein:

- Mr. Simon Murray who was re-designated as an independent non-executive director during the year, has certain investments made in common with Mr. Michael John Green, an executive director and Chairman of the Company. According to the confirmation given by Mr. Murray to the Company, Mr. Green's involvement in these investments is of the nature of a mere investor and is believed that their mutual investments will not affect his independence to the Company itself.
- Mr. V-Nee Yeh is the Chairman of Hsin Chong Construction Group Ltd. which through its subsidiaries/associated companies had business transactions with the Group. These transactions were not considered connected transactions pursuant to the Listing Rules. According to the financial statements of the Group, these transactions in 2004 amounted to approximately HK\$5 million and were considered immaterial to the Group's turnover for the year. It is therefore believed that such relationship will not affect the independence of Mr. Yeh in his role as an independent non-executive director of the Company.

Upon due and careful consideration and on the basis of the foregoing, the Company considered all independent non-executive directors of the Company to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business 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.

董事 (續)

本公司已從葉維義先生，馬世民先生及 Thaddeus Thomas Beczak 先生接獲年度獨立性確認書，其中：

- 馬世民先生（於年內調任為獨立非執行董事）與本公司執行董事兼主席米高•葛林先生作共同投資項目。根據馬先生對本公司之確認指出，葛林先生於該等投資項目只為投資者，並相信彼等之共同投資將不會影響其於本公司之獨立性。
- 葉維義先生為新昌營造集團有限公司之主席，並透過其附屬公司／聯營公司與本集團交易而該等交易根據上市條例並不為關連交易。按本集團賬目，該等交易於二零零四年度之交易總額為約港幣5,000,000。相對本集團於年度之營業額，此金額並不巨大，以此本公司亦相信此關係未能影響葉先生身為本公司獨立非執行董事之獨立性。

根據上述資料，及經過慎重考慮，本公司確認所有獨立非執行董事為獨立。

董事之服務合約

擬於應屆股東週年大會上重選之董事概無與本公司簽訂不可於一年內免付補償（法定補償除外）而終止之服務合約。

董事之合約權益

在本年度結算日或本年度任何期間內，本公司或其附屬公司概無訂立有關本公司業務之重要合約而使本公司董事直接或間接擁有重大權益。

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2004, which do not constitute connected transactions under the rules governing the listing of securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited are disclosed in note 30 to the accounts.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group’s major customers and suppliers during the financial year are as follows:

		Percentage of the Group’s total 佔本集團總額百分比	
		Sales 銷貨	Purchases 購貨
The largest customer	最大客戶	6.6%	
Five largest customers in aggregate	最大五個客戶合計	25.3%	
The largest supplier	最大供應商		15.9%
Five largest suppliers in aggregate	最大五個供應商合計		47.8%

SHARE OPTION SCHEME

A Share Option Scheme (“the Scheme”) was approved and adopted by the shareholders at a special general meeting of the Company on 11 July 2002. The following information relating to the Scheme is made pursuant to the requirements as contained in Chapter 17 of the Listing Rules (reference is made to the circular of the Company dated 24 June 2002 (the “Circular”). Terms defined in the Circular have the same meanings when used in the following summary unless the context requires otherwise):

i) Purpose of the Scheme

The purpose of the Scheme is to recognise and acknowledge the contribution that Eligible Persons have made or may make to the Company and to attract and retain and motivate talented staff.

ii) Participants of the Scheme

The participants of the Scheme shall be such Eligible Persons as the Board in its absolute discretion determines.

與有關連人士之交易

本集團於截至二零零四年十二月三十一日止年度內所訂立，且根據香港聯合交易所有限公司證券上市規則（「上市規則」）之規定並不構成關連交易之有關連人士重大交易於賬目附註30披露。

主要客戶及供應商

本集團於財政年度之主要客戶及供應商佔有年度之銷貨及購貨之百分比如下：

購股權計劃

一項購股權計劃（「該計劃」）獲本公司股東於二零零二年七月十一日之股東特別大會上批准及採納。以下有關該計劃之資料乃根據上市規則第17章所載之規定而刊載（僅此提述本公司二零零二年六月二十四日刊發通函（「該通函」）。除非文義另有所指，否則該通函所載詞彙與以下概要所用者相同）：

i) 該計劃之目的

該計劃旨在確認及嘉許合資格人士對本公司已作出或可能作出之貢獻，以及吸納、挽留及鼓勵能幹之員工。

ii) 該計劃之參與者

該計劃之參與者乃由董事會酌情決定之合資格人士。

SHARE OPTION SCHEME (continued)

iii) Maximum number of Shares available for issue under the Scheme

The maximum number of the Shares which may be issued upon exercise of all outstanding Options to subscribe for Shares granted and yet to be exercised under the Scheme and any other share option scheme shall not exceed 10% of the total number of Shares in issue of the Company as at the date of approval of the Scheme. As at 31 December 2004 and the date of this report, 15,049,600 shares were available for issue under the Scheme representing 6.7% of the total issued share capital of the Company.

iv) Maximum entitlement to any one participant

Under the Scheme, the maximum entitlement to Options of each Eligible Person shall be such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to him/her in any 12-month period up to each Commencement Date must not exceed 1% of the issued share capital of the Company at the relevant Commencement Date.

v) Period and payment on acceptance of Options

Under the Scheme, an Offer may be accepted by an Eligible Person in whole or in part in respect of all Shares for which it is offered to such Eligible Person when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Person together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within forty days from the Offer Date.

vi) The basis of determining the exercise price

The Subscription Price in respect of any Option shall be not less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the relevant Commencement Date in respect of such Option, which must be a Business Day; (ii) an amount equivalent to the mean closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the relevant Commencement Date in respect of such Option, which must be a Business Day, and (iii) the nominal value of a Share.

購股權計劃 (續)

iii) 根據該計劃可予發行之股數上限

就全面行使根據該計劃及任何其他購股權計劃以認購授出股份之尚未行使購股權而予發行之最大股份數目不得超逾本公司於批准該計劃日期之已發行股份總數之10%。於截至二零零四年十二月三十一日及本報告日期止，根據該計劃可予發行之股份為15,049,600股，佔本公司已發行股本總額6.7%。

iv) 參與者獲授購股權之上限

根據該計劃，於任何十二個月期間至有關購股權之開始日期內，每名合資格人士最多可獲授予之購股權（已授予或將授予）總數於行使時已發行或將予發行之股份總數不得超過本公司於有關購股權之開始日期已發行股本之1%。

v) 接納購股權之期間及付款

根據該計劃，合資格人士可於接獲要約後四十日內，將接納函件副本正式簽妥及連同抬頭人為本公司而款額為港幣1.00元（獲授購股權之代價，須於接納要約時支付）之支票交予本公司，以就其獲提呈之股份接納全部或部份建議。

vi) 釐定行使價之基準

該購股權之認購價不會低於下列三項之最高者(i)該購股權有關當日（必須為營業日）列載於聯交所日報表之每股收市價；(ii)等同緊接該購股權有關當日（必須為營業日）前五個營業日列載於聯交所日報表之每股平均收市價及(iii)每股之面值。

SHARE OPTION SCHEME (continued)

vii) Remaining life of the Scheme

The Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless otherwise terminated under the terms of the Scheme.

Details of Options granted to directors and employees under the Scheme as at 31 December 2004 are as follows:

購股權計劃 (續)

vii) 該計劃之尚餘年期

除根據該計劃之終止條款外，該計劃將由獲採納日期起十年期間內適用及有效。

於二零零四年十二月三十一日，根據該計劃向董事及僱員授出購股權之詳情如下：

		Date of options granted 授出 購股權日期	Outstanding options as at 1 January 2004 二零零四年一月一日 尚未行使之購股權	Granted during the year 於年內 授出	Exercised/ lapsed/ cancelled during the year 於年內 行使／ 作廢／ 註銷	Note	Outstanding options as at 31 December 2004 二零零四年十二月三十一日 尚未行使之購股權	Subscription price per share 每股認購價 HK\$ 港幣
Directors	董事							
Woo Chun Yu, Adolf	胡鎮宇	18 September 2003 二零零三年九月十八日	1,500,000	–	(1,500,000)	(i)	–	0.500
Leung Tak Tong, Eric	梁德堂	18 September 2003 二零零三年九月十八日	1,500,000	–	(1,500,000)	(ii)	–	0.500
Lai Ka Tak, Patrick	黎嘉得	18 September 2003 二零零三年九月十八日	1,500,000	–	–		1,500,000	0.500
		19 November 2004 二零零四年十一月十九日	–	1,700,000	–		1,700,000	0.602
Daniel George Green	丹尼•葛林	18 September 2003 二零零三年九月十八日	1,200,000	–	–	(iii)	1,200,000	0.500
		19 November 2004 二零零四年十一月十九日	–	2,000,000	–		2,000,000	0.602
Employees	僱員	18 September 2003 二零零三年九月十八日	1,500,000	–	(500,000)	(iv)	1,000,000	0.500
			<u>7,200,000</u>	<u>3,700,000</u>	<u>(3,500,000)</u>		<u>7,400,000</u>	

SHARE OPTION SCHEME (continued)

Notes:

- (i) Mr. Woo Chun Yu, Adolf resigned as a director of the Group on 31 August 2004, 1,500,000 Options with exercise price of HK\$0.500 per Share were lapsed as a result of his resignation.
- (ii) Mr. Leung Tak Tong, Eric resigned as a director of the Group on 21 September 2004, 1,500,000 Options with exercise price of HK\$0.500 per Share were lapsed as a result of his resignation.
- (iii) Mr. Daniel George Green was appointed as a director of the Group on 1 January 2004 and 1,200,000 Options with exercise price of HK\$0.500 per Share were reclassified for disclosure.
- (iv) These options with exercise price of HK\$0.500 per Share were lapsed on 16 May 2004 since the grantee ceased to be an employee of the Group during the year.

At the dates before the Options were granted, being 17 September 2003 and 18 November 2004, the market values per Share were HK\$0.500 and HK\$0.600 respectively.

The Options granted on 18 September 2003 can be exercised in two instalments, 50% of which at any time between 1 September 2005 and 30 August 2010 and the remaining 50% at any time between 1 September 2006 and 30 August 2010.

The Options granted on 19 November 2004 can be exercised in two instalments, 50% of which at any time between 1 November 2006 and 30 August 2010 and the remaining 50% at any time between 1 November 2007 and 30 August 2010.

The Options granted on 19 November 2004 are not recognized in the financial statements until they are exercised. Based on the binomial option pricing model, the fair value of the Options was HK\$0.141. However, since the valuation relies on subjective assumptions such as the estimated volatility of the Share price, the binomial option pricing model does not necessarily provide a reliable measure of the fair value of the Options.

購股權計劃 (續)

附註:

- (i) 胡鎮宇先生於二零零四年八月三十一日辭任本集團董事，致使彼持有之1,500,000每股行使價港幣0.500元之購股權已作廢。
- (ii) 梁德堂先生於二零零四年九月二十一日辭任本集團董事，致使彼持有之1,500,000每股行使價港幣0.500元之購股權已作廢。
- (iii) 丹尼•葛林先生於二零零四年一月一日獲委任為本集團董事，1,200,000份每股行使價港幣0.500元之購股權已重新分類以作披露。
- (iv) 由於獲授人於年內不再為本集團僱員，該等每股行使價港幣0.500元之購股權已於二零零四年五月十六日作廢。

在購股權授出前一日，即二零零三年九月十七日及二零零四年十一月十八日，股份每股市值分別為港幣0.500元及0.600元。

於二零零三年九月十八日授出之購股權可分兩期行使，購股權之50%可由二零零五年九月一日至二零一零年八月三十日止期間行使，餘下之50%可由二零零六年九月一日至二零一零年八月三十日止期間行使。

於二零零四年十一月十九日授出之購股權可分兩期行使，購股權之50%可由二零零六年十一月一日至二零一零年八月三十日止期間行使，餘下之50%可由二零零七年十一月一日至二零一零年八月三十日止期間行使。

於二零零四年十一月十九日授出的購股權於行使時方於財務報表中確認。按二項式購股權定價模式計算之公平價值為港幣0.141元。由於該購股權定價模式需要作出極主觀假設，例如預期股價波幅，因此二項式購股權定價模式未必提供可靠的購股權公平價值。

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

The weighted average assumptions used are as follows:

加權平均使用的假設如下：

		2004 二零零四年
Risk free interest rate (<i>in %</i>)	無風險利率(%)	2.8
Expected life (<i>in years</i>)	預計年期 (年)	6.0
Volatility (<i>in %</i>)	波幅(%)	49.2
Expected dividend per share (<i>cents</i>)	預期每股股息 (仙)	4.4

Apart from the Scheme mentioned above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors (including their spouse and children under 18 years of age) have been granted, or have exercised, any rights to subscribe for shares of the Company.

除以上詳述之該計劃外，本公司或其附屬公司概無訂立任何安排，致使本公司之董事透過購入本公司或其他法人團體之股份或債券而獲得利益，各董事（包括彼等之配偶及十八歲以下子女）並無獲授予或行使任何可認購本公司股份之權利。

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

As at 31 December 2004, the interests and short positions of each directors 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 under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Ordinary shares of HK\$0.10 each

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零零四年十二月三十一日，根據本公司按照證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊所載，或根據本公司董事進行證券交易的標準守則而知會本公司及聯交所，各董事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、相關股份及債券之權益及淡倉如下：

每股面值港幣0.10元之普通股

		Number of shares held 持有股數						
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 法團權益	Trusts and similar interests 所持股份 數目信託及 類似權益	Equity derivates (Note iii) 股本 衍生工具 (附註iii)	Total interests 權益總額	Percentage of issued share capital 佔已發行 股本總額 百分比
Executive directors:		執行董事:						
Michael John Green	米高•葛林	1,272,000	—	—	166,093,617 (Note i)	—	167,365,617	74.55%
Daniel George Green	丹尼•葛林	—	—	—	166,093,617 (Note ii)	3,200,000	169,293,617	75.41%
Lai Ka Tak, Patrick	黎嘉得	—	—	—	—	3,200,000	3,200,000	1.43%
Non-executive directors:		非執行董事:						
Augustus Ralph Marshall	Augustus Ralph Marshall	—	—	—	—	—	—	—
Christopher John David Clarke	簡基華	200,000	—	—	—	—	200,000	0.09%
Independent non-executive directors:		獨立非執行董事:						
V-Nee Yeh	葉維義	74,444	—	—	—	—	74,444	0.03%
Thaddeus Thomas Beczak	Thaddeus Thomas Beczak	—	—	—	—	—	—	—
Simon Murray	馬世民	343,487	—	—	—	—	343,487	0.15%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Notes:

- (i) Such shares were held through corporations on behalf of the Michael Green Family Trust.
- (ii) Such shares were held through corporations on behalf of the Michael Green Family Trust in which Mr. Daniel George Green has a beneficial interest.
- (iii) These represented interests of Options granted to directors under the Scheme to subscribe for shares of the Company, further details of which are set out in the section "Share Option Scheme" of this report.

All interests in the shares and underlying shares of equity derivatives of the Company are long positions. None of the directors held any short position in the shares, underlying shares of equity derivatives or debentures of the Company.

Save as disclosed above, as at 31 December 2004, none of the directors and chief executives of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

附註：

- (i) 該等股份乃透過代表米高•葛林家族信託之法團持有。
- (ii) 該等股份乃透過代表米高•葛林家族信託之法團持有，而丹尼•葛林先生擁有該信託之實益權益。
- (iii) 此代表根據該計劃授予董事以認購本公司股份之購股權權益，詳情載於本報告「購股權計劃」一節內。

所有本公司股份及股本衍生工具相關股份之權益均屬好倉。董事概無於本公司股份、股本衍生工具相關股份或債券中持有任何淡倉。

除上文披露者外，於二零零四年十二月三十一日，概無本公司董事及主要行政人員及／或彼等各自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）之股份、相關股份及債權證中擁有任何權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2004, the Company had been notified of the following substantial shareholder's interests, being 5% or more of the Company's issued ordinary share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives:

Name of shareholder 股東名稱	Percentage of total issued shares 估已發行股份 總數百分比	
	Ordinary shares held 所持普通股	
Pacific Investments (BVI) Limited	16,957,431	7.55%

Pacific Investments (BVI) Limited is a wholly-owned subsidiary of Usaha Tegas Sdn. Bhd.

Save as disclosed above, as at 31 December 2004, the directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to disclose to the Company pursuant to Part XV of the SFO.

MANAGEMENT CONTRACTS

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

主要股東於股份、相關股份及債券之權益及淡倉

根據證券及期貨條例第336條規定須予存置之主要股東登記冊所顯示，於二零零四年十二月三十一日，本公司已獲知會下列佔本公司已發行股本5%或以上主要股東權益。此等權益乃上文所披露之董事及主要行政人員權益以外之權益：

Name of shareholder 股東名稱	Percentage of total issued shares 估已發行股份 總數百分比	
	Ordinary shares held 所持普通股	
Pacific Investments (BVI) Limited	16,957,431	7.55%

Pacific Investments (BVI) Limited為Usaha Tegas Sdn. Bhd.之全資附屬公司。

除上文披露者外，於二零零四年十二月三十一日，董事並不知悉任何其他人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、股本衍生工具相關股份或債券中擁有須根據證券及期貨條例向本公司披露之權益或淡倉。

管理合約

於本年內，本公司並無就全盤業務或其中重大部分簽訂或存有任何管理及行政合約。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholder's entitlement to the final dividend, from 27 April 2005 to 29 April 2005 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 pm on 26 April 2005.

CORPORATE GOVERNANCE

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the then effective Appendix 14 of the Listing Rules, save that the non-executive directors were not appointed for a specific term as they are subject to retirement and re-election at annual general meetings in accordance with the Company's bye-laws.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Listing Rules. The Company, having made specific enquiry, confirms that all directors of the Company complied throughout the year with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

SUFFICIENCY OF PUBLIC FLOAT

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

暫停辦理股份過戶登記手續

為確定股東享有末期股息，本公司將於二零零五年四月二十七日至二零零五年四月二十九日（包括首尾兩日）期間，暫停辦理股份過戶登記手續。倘股東欲確定享有末期股息，必須把股份過戶文件連同有關股票，於二零零五年四月二十六日下午四時或以前送達香港灣仔皇后大道東一八三號合和中心十七樓一七一一至一七一六室，本公司股份登記分處香港中央證券登記有限公司辦理過戶手續。

公司管治

除非執行董事並無指定任期及須根據本公司之公司組織章程細則於股東週年大會上輪值告退及膺選連任外，本公司於年內一直遵守當時生效之上市規則附錄14內所載之最佳應用守則。

本公司已採納有關董事進行證券交易之守則，其條款不較上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）所規定之準則寬鬆。根據向所有董事所作之個別查詢，本公司確認各董事於年內均已遵守標準守則所規定之準則及本公司有關董事進行證券交易之守則。

公眾持股量之充足性

根據本公司可從公開途徑取得之資料，並據董事所知，於本年報刊發日期，本公司之公眾股份持股量維持在上市條例規定的足夠水平。

AUDIT COMMITTEE

Written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for Effective Audit Committees” published by the Hong Kong Institute of Certified Public Accountants and in compliance with the code provisions stipulated in Appendix 14 of the Listing Rules.

The Audit Committee provides an important link between the board and the Company’s auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness of the external audit and of internal controls and risk evaluation. The Committee comprises two independent non-executive directors, namely Messrs. V-Nee Yeh and Thaddeus Thomas Beczak and a non-executive director, Mr. Christopher John David Clarke.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited financial statements for the year ended 31 December 2004 with the directors.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Michael John Green
Chairman

Hong Kong, 10 March 2005

審核委員會

經參考香港會計師公會刊發之「審核委員會有效運作指引」，本公司已擬備並採納說明審核委員會的職權及職責的書面責權範圍，以遵守上市條例附錄14所載之守則條文。

審核委員會就集團審計範圍內的事項擔任本公司董事會與其核數師之間的重要橋樑。此外，審核委員會亦負責檢討外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由獨立非執行董事葉維義先生、Thaddeus Thomas Beczak先生以及非執行董事簡基華先生組成。

審核委員會已與管理層審閱本集團採納之會計準則及常規，並與董事討論內部監控及財務匯報事宜，包括審閱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。

核數師

本賬目已由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟願膺選連任。

董事會代表
米高•葛林
主席

香港，二零零五年三月十日