



Report of the Directors 董事局報告

The Directors have pleasure in presenting to the shareholders their report together with the audited accounts of Burwill Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2004.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2004 are set out in the consolidated profit and loss account on page 37.

The respective state of affairs of the Group and the Company as at 31 December 2004 are set out in the balance sheets on pages 38 and 39.

The Group's cash flows are set out in the consolidated cash flow statement on pages 41 and 42.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are international steel trading, warehousing and distribution, steel manufacturing and processing, and property development and investment.

Analysis of the Group's turnover and operating profit by business and geographical segments for the year are set out in note 4 to the accounts on pages 57 to 60.

DIVIDEND

No interim dividend was paid during the year.

The Directors recommended a final dividend of HK 1.8 cents (2003: Nil) per share for the year ended 31 December 2004, payable on 29 July 2005 to shareholders whose names appear on the Register of Members of the Company at the close of business on 25 May 2005. This recommendation has been incorporated in the accounts.

董事局欣然向各股東提呈Burwill Holdings Limited (寶威控股有限公司) (「本公司」) 及其附屬公司 (合稱「本集團」) 截至二零零四年十二月三十一日止年度之董事局報告及經審核帳目。

財務業績

本集團截至二零零四年十二月三十一日止年度之業績載列於第37頁之綜合損益表內。

本集團及本公司於二零零四年十二月三十一日之財務狀況已分別載列於第38頁及第39頁之資產負債表內。

本集團之現金流動情況載列於第41頁及第42頁之綜合現金流量表內。

主要業務及營運分類分析

本公司之主要業務為投資控股公司。

本集團之主要業務為鋼鐵國際貿易、倉儲及分銷、鋼鐵加工製造和房地產開發及投資。

本集團於年度內分別按業務及地區分部之營業額及經營溢利分析載列於第57頁至第60頁之帳目附註4。

股息

本年度並無派付中期股息。

董事局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港幣1.8仙 (二零零三年: 無), 預期末期股息將於二零零五年七月二十九日派付予於二零零五年五月二十五日營業日終結時名列本公司股東名冊之股東。此項建議已錄載於帳目內。



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MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases attributable to the Group's major suppliers are as follows:

- | | | |
|-----------------------------------|--------------|--|
| – the largest supplier | – 最大供應商 | |
| – five largest suppliers combined | – 五大供應商合併購貨額 | |

The percentage of sales attributable to the Group's five major customers combined is less than 30%.

None of the Directors, their respective associates nor shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the above suppliers or customers at any time during the year.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The movements in property, plant and equipment and investment properties during the year are set out in notes 13 and 14 to the accounts on pages 69 to 72.

The particulars of properties held by the Group for sale or for investment as at 31 December 2004 are set out on page 103.

SUBSIDIARIES AND ASSOCIATES

The particulars of the Company's principal subsidiaries and associates as at 31 December 2004 are set out in notes 15 and 16 to the accounts on pages 73 to 77.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

%
百分比

13
43

本集團之五大主要客戶合併佔營業額之百分比少於30%。

各董事、其各自聯繫人或據董事局所知擁有本公司股本中5%以上權益之股東，於本年度內任何時間概無擁有上述供應商或客戶之任何權益。

物業、廠房及設備及投資物業

本年度內物業、廠房及設備及投資物業之變動情況載列於第69頁至第72頁之帳目附註13及14。

本集團於二零零四年十二月三十一日持有之待售或投資物業資料載列於第103頁。

附屬公司及聯營公司

本公司於二零零四年十二月三十一日之主要附屬公司及聯營公司資料載列於第73頁至第77頁之帳目附註15及16。



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BANK LOANS

The particulars of the Group's bank loans are set out in notes 23 and 25 to the accounts on pages 81 and 82.

Most of the Group's bank loans were denominated in HK\$ and US\$ except for certain bank loans of approximately HK\$56,535,000 (2003: HK\$98,299,000) which were denominated in Renmenbi and were made to finance the Group's operations in China. All the bank loans bear interest at prevailing market rates.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29 to the accounts on page 88.

RESERVES

Details of movements in reserves during the year are set out in note 31 to the accounts on pages 92 to 95.

DISTRIBUTABLE RESERVES

As at 31 December 2004, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$151,639,000 (2003: HK\$161,398,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no statutory restriction against the granting of such rights under the laws of Bermuda.

銀行貸款

本集團之銀行貸款之資料載於第81頁及第82頁之帳目附註23及25。

除部份借予集團於中國營運單位之銀行貸款約港幣56,535,000元(二零零三年:港幣98,299,000元)乃以人民幣為貨幣單位外,本集團大部份銀行貸款均為港元及美元貸款。所有銀行貸款均按目前市場息率支付利息。

股本

本公司股本於本年度之變動情況詳列於第88頁之帳目附註29。

儲備

本年度內儲備之變動情況詳列於第92頁至第95頁之帳目附註31。

可分派儲備

於二零零四年十二月三十一日,按照百慕達一九八一年公司法所計算,本公司可分派予股東之儲備為港幣151,639,000元(二零零三年:港幣161,398,000元)。

股份優先購買權

百慕達法律對授出股份優先購買權並無法定限制,本公司之章程細則亦無就授出該等權利作出規定。



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

During the year ended 31 December 2004, the Company repurchased a total of 1,004,000 shares in the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandate granted by the shareholders at the annual general meeting held on 18 June 2003, details of which were as follows:-

Month/Year 月/年	Number of shares repurchased 購回股份數目	Price per share 每股價格		Total consideration (before expense) 代價總額 (未計開支)
		Lowest 最低 HK\$ 港元	Highest 最高 HK\$ 港元	
05/2004	1,004,000	0.325	0.350	338,800

All shares repurchased were cancelled and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchases were effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2004.

CHANGE OF NAME OF THE COMPANY

The Company has changed its name from "WellNet Holdings Limited" to "Burwill Holdings Limited" with effect from 3 June 2004 and has adopted "寶威控股有限公司" as its Chinese name with effect from 23 June 2004.

CHANGES IN BOARD OF DIRECTORS AND AUDIT COMMITTEE

Mr. HUANG Shenglan was appointed as an Independent Non-Executive Director and a Member of Audit Committee of the Company with effect from 30 September 2004.

Mr. YU Wing Keung, Dicky resigned as an Executive Director of the Company, effective 11 April 2005.

購買、出售或贖回本公司上市證券

截至二零零四年十二月三十一日止年度內，本公司根據於二零零三年六月十八日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司（「聯交所」）購回本公司股份合共 1,004,000 股，詳情如下：

上述購回之股份已全部註銷，另本公司之已發行股本亦已扣除此等股份之面值。購回股份是為提高每股資產淨值及每股盈利，有利於股東整體利益而進行。

除上文所披露者外，截至二零零四年十二月三十一日止年度內，本公司或其它任何附屬公司概無購買、贖回或出售本公司任何上市證券。

更改公司名稱

本公司之名稱已於二零零四年六月三日由「WellNet Holdings Limited」更改為「Burwill Holdings Limited」；並於二零零四年六月二十三日採納「寶威控股有限公司」為本公司中文名稱。

董事局及審核委員會變動

由二零零四年九月三十日起，黃勝藍先生獲委任為本公司獨立非執行董事及審核委員會委員。

余永強先生於二零零五年四月十一日辭任本公司執行董事。



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SHARE OPTION SCHEMES

At the 2002 Annual General Meeting of the Company held on 6 June 2002, the share option scheme of the Company being adopted on 23 July 1999 (the "Old Option Scheme") was terminated and a new share option scheme (the "New Option Scheme") was adopted by the shareholders to comply with the new requirements of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Upon termination of the Old Option Scheme, no further options could be granted thereunder but in all other respects, the provisions of the Old Option Scheme shall remain in force. All outstanding options which were granted under the Old Option Scheme to subscribe for shares in the Company prior to its termination shall continue to be valid and exercisable. There were options for 22,000,000 shares granted under the Old Option Scheme remained outstanding on 1 January 2004, the beginning of the financial year, all of which were then lapsed on 5 August 2004. As at 31 December 2004, no option was outstanding under the Old Option Scheme.

(A) The Old Option Scheme

(I) Summary of terms of the Old Option Scheme

(i) Purpose of the Old Option Scheme

The purpose of the Old Option Scheme is to give executive directors and employees of the Company or any of its subsidiaries an opportunity to acquire an equity interest in the Company and to assist in the recruitment and retention of employees with experience and ability.

(ii) Participants

Any employee, including any executive director, of the Company or any of its subsidiaries.

購股權計劃

於二零零二年六月六日舉行之二零零二年度股東週年大會上，本公司股東已批准通過終止本公司於一九九九年七月二十三日採納之購股權計劃（「舊購股權計劃」）及採納新購股權計劃（「新購股權計劃」）以符合聯交所證券上市規則（「上市規則」）第十七章之修訂。

舊購股權計劃終止後，將不能再按其條款授出購股權，惟在其它方面，舊購股權計劃之條款將仍然生效。所有在舊購股權計劃終止前授出賦予權利可認購股份但尚未行使之購股權將繼續有效並可予行使。於二零零四年一月一日（即年度初），根據舊購股權計劃授出可予行使認購22,000,000股股份之購股權仍然有效可予行使，惟該等購股權其後於二零零四年八月五日已告期滿失效。於二零零四年十二月三十一日，概無根據舊購股權計劃之購股權可予行使。

(A) 舊購股權計劃

(I) 舊購股權計劃主要條款

(i) 舊購股權計劃之目的

舊購股權計劃旨在向本公司或其任何附屬公司之執行董事及僱員提供購入本公司股本權益之機會，並有助招聘吸納及保留有經驗及有所表現之僱員。

(ii) 參與者

本公司或其任何附屬公司之任何僱員（包括任何執行董事）。



Report of the Directors 董事局報告

SHARE OPTION SCHEMES (continued)

(A) The Old Option Scheme (continued)

(iii) Maximum number of shares

The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the Old Option Scheme may not when aggregated with the number of shares subject to other share schemes of the Company and any shares which might have been issued under cancelled options exceed such number of shares as shall represent 10 per cent. of the nominal amount of the issued share capital of the Company from time to time, excluding for this purpose shares issued on exercise of options granted under the Old Option Scheme.

(iv) Maximum entitlement of each participant

No option may be granted to any one person which if exercised in full would result in the total number of shares already issued and issuable to him under the Old Option Scheme when aggregated with any shares which might have been issued under cancelled options exceeding 25 per cent. of the aggregate number of shares for the time being issued and issuable under the Old Option Scheme.

(v) Option period

An option may be exercised in accordance with the terms of the Old Option Scheme at any time during a period to be notified by the Board of Directors to each grantee, such period of time not exceeding three years from the date falling 90 days after the date on which an option is offered and expiring on the last date of such period.

購股權計劃 (續)

(A) 舊購股權計劃 (續)

(iii) 股份數目上限

根據舊購股權計劃所授購股權可認購之股份數目(連同已行使購股權及當時尚未行使之購股權),在加上根據本公司其它股份計劃可認購之股份數目及根據已註銷之購股權而可能發行之股份後,其總和不得超過本公司不時已發行股本面值之10%(就此不包括根據舊購股權計劃所授購股權獲行使而發行之股份)。

(iv) 每位參與者可獲授權益上限

倘任何一名人士在悉數行使其購股權後根據舊購股權計劃已發行及可發行予該名人士之股份總數,連同就已註銷購股權而可能發行之股份數目,超過根據舊購股權計劃當時已發行及可予發行股份總數之25%,則該名人士不會獲授任何購股權。

(v) 購股權期限

任何購股權均可於董事局通知每位獲授購股權人士之期限內任何時間根據舊購股權計劃之條款予以行使,該段期限由授出購股權當日起九十日後計為時不超過三年,於期限終結日屆滿。



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SHARE OPTION SCHEMES *(continued)*

(A) The Old Option Scheme *(continued)*

(vi) Payment on acceptance of option

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date on which an option is offered to the grantee (the "Offer Date"). An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1 by way of consideration of the grant thereof is received by the Company.

(vii) Exercise price

The exercise price in respect of any particular option shall be such price as the Board of Directors may in its absolute discretion determine, being not less than the higher of 80 per cent. of the average of the closing price of the shares for the five trading days immediately preceding the Offer Date on the Stock Exchange as stated in the Stock Exchange's quotation sheet or the nominal value of a share.

(viii) The remaining life of the Old Option Scheme

The Old Option Scheme was terminated on 6 June 2002.

購股權計劃 (續)

(A) 舊購股權計劃 (續)

(vi) 接納購股權須付款額

授予購股權之邀請由邀請日期(「邀請日期」)起計28日之期間內可供被邀請僱員考慮接納。當本公司接獲由承授人正式簽署接納購股權之函件副本,連同支付予本公司港幣1元,作為授出購股權之代價時,有關購股權已被視為已獲接納及授出。

(vii) 行使價

購股權之行使價將由董事局絕對酌情決定,該價格將不低於股份在緊接授出日期前五個交易日在聯交所之平均收市價(載列於聯交所之報價表內)之80%或股份面值(以較高者為準)。

(viii) 舊購股權計劃之剩餘期限

舊購股權計劃已於二零零二年六月六日終止。



Report of the Directors 董事局報告

SHARE OPTION SCHEMES (continued)

購股權計劃 (續)

(A) The Old Option Scheme (continued)

(A) 舊購股權計劃 (續)

- (II) Movement of share options granted under the Old Option Scheme during the year ended 31 December 2004:

- (II) 於截至二零零四年十二月三十一日止年度內，根據舊購股權計劃已授出之購股權變動情況如下：

Name of Director 董事姓名	No. of shares under the options 購股權項下之股份數目			Price for grant 授權價 HK\$ 港元	Exercise price per share 每股 行使價 HK\$ 港元	Date of grant 授出日期	Exercise period	
	Held as at 01/01/2004	Lapsed during the year	Held as at 31/12/2004				from	until
	於2004年 1月1日持有	於年內 失效	於2004年 12月31日 持有				行使期限 由	至
CHAN Shing 陳城	5,400,000	5,400,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
LAU Ting 劉婷	5,400,000	5,400,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
YU Wing Keung, Dicky (Note) 余永強 (附註)	2,000,000	2,000,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
TUNG Pui Shan, Virginia 董佩珊	1,000,000	1,000,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
KWOK Wai Lam 郭偉霖	1,000,000	1,000,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
YIN Mark 尹虹	1,000,000	1,000,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
SIT Hoi Tung 薛海東	3,100,000	3,100,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
SUN Ho 孫豪	3,100,000	3,100,000	–	1.00	0.461	07/05/2001	05/08/2001	04/08/2004
Total: 總數:	22,000,000	22,000,000	–					

Note: Mr. YU Wing Keung, Dicky resigned as an Executive Director of the Company, effective 11 April 2005.

附註：余永強先生於二零零五年四月十一日辭任本公司執行董事。



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SHARE OPTION SCHEMES (continued)

(B) The New Option Scheme

(I) Summary of terms of the New Option Scheme

(i) Purpose of the New Option Scheme

The purpose of the New Option Scheme is to provide incentives to Participants (as stated in paragraph (ii)) to contribute to the Group and to enable the Group to recruit high-calibre employees and attract resources that are valuable to the Group.

(ii) Participants

Any person being an employee, officer, buying agent, selling agent, consultant, sales representative or marketing representative of, or supplier or provider of goods or services to, the Group, including any executive or non-executive director of the Group.

(iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Option Scheme and any other share option schemes of any member of the Group must not exceed 30 per cent. of the number of issued shares from time to time. The total number of shares available for issue under the New Option Scheme as at the date of this report is 94,164,430 shares, representing approximately 8.92 per cent. of the issued share capital of the Company as of that date.

購股權計劃 (續)

(B) 新購股權計劃

(I) 新購股權計劃主要條款

(i) 新購股權計劃之目的

新購股權計劃旨在鼓勵參與者(見本文(ii)段)為本集團作出貢獻,及讓本集團得以羅致具才幹之僱員,以及吸納對本集團具價值之資源。

(ii) 參與者

本集團僱員(包括本集團之執行董事或非執行董事)、主管、採購代理、銷售代理、顧問、銷售代表或市務代表或貨品及服務供應商或提供商。

(iii) 股份數目上限

根據新購股權計劃及本集團任何成員公司之任何其它購股權計劃授出而有待行使其全部尚未行使購股權獲行使後發行之股份總數限額,不可超逾不時已發行股份數目30%。於本報告日期,根據新購股權計劃可予發行之股份數量為94,164,430股,相等於當日本公司已發行股本約8.92%。



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SHARE OPTION SCHEMES (continued)

(B) The New Option Scheme (continued)

(iv) Maximum entitlement of each Participant

Unless approved by shareholders in general meeting, no Participant shall be granted an option which would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such Participant in any 12-month period up to and including the proposed date of grant for such options would exceed 1 per cent, of the number of shares in issue as at the proposed date of grant.

(v) Option period

An option may be exercised in accordance with the terms of the New Option Scheme at any time during a period of not exceeding 10 years to be notified by the Board to the grantee, such period to commence on the date of grant or such later date as the Board may determine and expiring on the last day of the said period. Under the New Option Scheme, the Board may, at its discretion, prescribe a minimum period for which an option must be held before it can be exercised.

(vi) Payment on acceptance of option

HK\$1.00 in cash is payable by the Participant who accepts the grant of an option in accordance with the terms of the New Option Scheme on acceptance of the grant of an option.

購股權計劃 (續)

(B) 新購股權計劃 (續)

(iv) 每位參與者可獲授權益上限

除獲股東在股東大會上批准外，倘參與者於行使所有其已獲授予及將獲授予的購股權（包括已行使、已註銷及尚未行使的購股權）後，將令致其於截至及包括建議授出購股權之日止十二個月期間內已獲發行及可能發行之股份數目超逾建議授出該購股權當日已發行股份數目之1%，則不得向該參與者授出購股權。

(v) 購股權期限

任何購股權均可於董事局通知承授人在不超過十年之期限內任何時間根據新購股權計劃之條款予以行使，該段期限由授出購股權日期或董事局決定之較後日期起計，並於該期限最後一日終止。根據新購股權計劃，董事局可酌情訂定購股權獲行使前須持有之最短期限。

(vi) 接納購股權須付款額

根據新購股權計劃條款接納獲授購股權之參與者，在接納購股權時，須繳付現金港幣1元。



Report of the Directors 董事局報告

SHARE OPTION SCHEMES (continued)

(B) The New Option Scheme (continued)

(vii) Subscription price

The subscription price for the shares under the options to be granted under the New Option Scheme will be a price determined by the Board and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and (c) the nominal value of the shares.

(viii) The life of the New Option Scheme

The New Option Scheme shall be valid and effective for a period of ten years commencing on 6 June 2002, after which period no further options will be granted or accepted but the provisions of the New Option Scheme shall remain in full force and effect in all other respects.

- (II) No options had been granted, exercised nor cancelled since the adoption of the New Option Scheme on 6 June 2002.

購股權計劃 (續)

(B) 新購股權計劃 (續)

(vii) 認購價

根據新購股權計劃授出之購股權項下股份之認購價，將由董事局釐定及於授予（有待接受）參與者該購股權時知會各參與者，並最少為下列價格中之最高者：(a)股份在授出（有待接受）購股權當日（必須為營業日）在聯交所每日報價表所列之收市價；(b)股份在緊接授出（有待接受）購股權之日期前五個營業日，在聯交所每日報價表所列之平均收市價；及(c)股份之面值。

(viii) 新購股權計劃之限期

新購股權計劃之有效期將由二零零二年六月六日起計，為期十年，其後將不得再授出或接納任何購股權，惟新購股權計劃之條文在其它各方面將仍具有十足效力。

- (II) 自二零零二年六月六日新購股權計劃採納後概無授出購股權，亦無購股權獲行使或被註銷。



Report of the Directors 董事局報告

DIRECTORS

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

Executive Directors:

Mr. CHAN Shing
 Mr. YANG Da Wei
 Ms. LAU Ting
 Ms. TUNG Pui Shan, Virginia
 Mr. KWOK Wai Lam
 Mr. YIN Mark
 Mr. SIT Hoi Tung
 Mr. SUN Ho
 Mr. YU Wing Keung, Dicky – resigned on
 11 April 2005

Non-Executive Director:

Mr. SZE Tsai Ping, Michael

Independent Non-executive Directors:

Mr. CUI Shu Ming
 Mr. SONG Yufang
 Mr. HUANG Shenglan – appointed on
 30 September 2004

In accordance with Bye-laws 85 and 92 of the Bye-laws of the Company, Mr. KWOK Wai Lam, Mr. YIN Mark, Mr. CUI Shu Ming and Mr. HUANG Shenglan retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Company received from each of the Independent Non-Executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-Executive Directors to be independent.

Biographical details of the Directors of the Company are set out on pages 9 to 12.

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事：

陳城先生
 楊大偉先生
 劉婷女士
 董佩珊女士
 郭偉霖先生
 尹虹先生
 薛海東先生
 孫豪先生
 余永強先生 – 於二零零五年
 四月十一日辭任

非執行董事：

史習平先生

獨立非執行董事：

崔書明先生
 宋玉芳先生
 黃勝藍先生 – 於二零零四年
 九月三十日委任

依據本公司之章程細則第85條及第92條之規定，郭偉霖先生、尹虹先生、崔書明先生及黃勝藍先生於即將舉行之股東週年大會上依章告退，惟彼等均願意膺選連任。

本公司已接獲各獨立非執行董事之確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均屬獨立人士。

本公司董事之簡歷載於第9頁至第12頁。



Report of the Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2004, the interests and short positions of the Directors and chief executive of the Company (including those interests and short positions which were taken or deemed to have interests and short positions under the provisions of the Securities and Futures Ordinance (the "SFO")) 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) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Interests in Shares

(A) The Company

Name of Director 董事姓名	Number of ordinary shares 普通股股份數目			Total 總數	Approximate percentage interest in the Company's issued share capital 約佔本公司 已發行股本 百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益		
CHAN Shing 陳城	13,035,472	21,776,072 (Note 1) (附註1)	438,304,701 (Notes 2&3) (附註2&3)	473,116,245 (Note 3) (附註3)	44.88%
LAU Ting 劉婷	21,776,072	13,035,472 (Note 4) (附註4)	438,304,701 (Notes 2&3) (附註2&3)	473,116,245 (Note 3) (附註3)	44.88%
YU Wing Keung, Dicky (Note 6) 余永強 (附註6)	4,789,778	—	—	4,789,778	0.45%
TUNG Pui Shan, Virginia 董佩珊	8,461,996	110,000	5,104,000 (Note 5) (附註5)	13,675,996	1.30%
SIT Hoi Tung 薛海東	1,576,382	—	—	1,576,382	0.15%
SUN Ho 孫豪	200,000	—	—	200,000	0.02%

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉

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條所規定須予備存的登記冊所載，或如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所，本公司各董事及行政總裁於本公司或其任何聯營公司（定義見證券及期貨條例第XV部）股份、相關股份及債券證中擁有或被視為擁有的權益及淡倉，詳情如下：

股份權益

(A) 本公司



Report of the Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(A) The Company (continued)

Notes:

1. These shares were owned by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
2. 226,403,853 shares were held by Hang Sing Overseas Limited ("Hang Sing") which is owned as to 51% by Orient Strength Limited ("Orient Strength"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 211,900,848 shares were held by Strong Purpose Corporation ("Strong Purpose"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting.
3. The interests of Mr. CHAN Shing and Ms. LAU Ting were duplicated.
4. These shares were owned by Mr. CHAN Shing.
5. 5,104,000 shares were owned by Focus Cheer Consultants Limited ("Focus Cheer"), a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.
6. Mr. YU Wing Keung, Dicky resigned as an Executive Director of the Company, effective 11 April 2005.

董事及行政總裁於股份、相關股份及債券中擁有的權益及淡倉 (續)

(A) 本公司 (續)

附註:

1. 此等股份由劉婷女士擁有。劉婷女士為陳城先生之配偶。
2. 226,403,853股由Hang Sing Overseas Limited (「Hang Sing」) 持有，Orient Strength Limited (「Orient Strength」) 持有Hang Sing 51%權益，而陳城先生及劉婷女士則全資擁有Orient Strength。211,900,848股由Strong Purpose Corporation (「Strong Purpose」) 持有，陳城先生及劉婷女士全資擁有Strong Purpose。
3. 陳城先生與劉婷女士之權益重疊。
4. 此等股份由陳城先生擁有。
5. 5,104,000股由董佩珊女士全資擁有之公司Focus Cheer Consultants Limited (「Focus Cheer」) 持有。
6. 余永強先生於二零零五年四月十一日辭任本公司執行董事。



Report of the Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及行政總裁於股份、相關股份及債券中擁有的權益及淡倉 (續)

(B) Associated Corporation – WorldMetal Holdings Limited (“WorldMetal”)

(B) 聯營公司 – WorldMetal Holdings Limited (金屬電子交易所集團有限公司) (「WorldMetal」)

Name of Director	Personal interests	Number of ordinary shares 普通股股份數目			Approximate percentage interest in the issued share capital of WorldMetal 約佔 WorldMetal 已發行股本 百分比
		Family interests	Corporate interests	Total	
董事姓名	個人權益	家族權益	公司權益	總數	
CHAN Shing 陳城	72,951,773	50,288,803 (Note 1) (附註1)	485,746,308 (Notes 2&3) (附註2&3)	608,986,884 (Note 3) (附註3)	60.90%
YANG Da Wei 楊大偉	3,000,000	–	–	3,000,000	0.30%
LAU Ting 劉婷	50,288,803	72,951,773 (Note 4) (附註4)	485,746,308 (Notes 2&3) (附註2&3)	608,986,884 (Note 3) (附註3)	60.90%
YU Wing Keung, Dicky (Note 6) 余永強 (附註6)	28,100,000	–	–	28,100,000	2.81%
TUNG Pui Shan, Virginia 董佩珊	3,183,610	5,500	255,200 (Note 5) (附註5)	3,444,310	0.34%
KWOK Wai Lam 郭偉霖	3,000,000	–	–	3,000,000	0.30%
YIN Mark 尹虹	3,016,900	–	–	3,016,900	0.30%
SIT Hoi Tung 薛海東	3,078,819	–	–	3,078,819	0.31%
SUN Ho 孫豪	5,000,000	30,000	–	5,030,000	0.50%



Report of the Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Associated Corporation – WorldMetal Holdings Limited (continued)

Notes:

1. These shares were owned by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
2. 11,320,192 shares were held by Hang Sing which is owned as to 51% by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 10,595,042 shares were held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 463,831,074 shares were held by the Company.
3. The interests of Mr. CHAN Shing and Ms. LAU Ting were duplicated.
4. These shares were owned by Mr. CHAN Shing.
5. 255,200 shares were owned by Focus Cheer, a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.
6. Mr. YU Wing Keung, Dicky resigned as an Executive Director of the Company, effective 11 April 2005.

Save as otherwise disclosed above, as at 31 December 2004, none of the Directors or chief executive of the Company had, or were deemed under the SFO to have, any interests or short positions 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) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉 (續)

(B) 聯營公司 – WorldMetal Holdings Limited (金屬電子交易所集團有限公司) (續)

附註:

1. 此等股份由劉婷女士擁有。劉婷女士為陳城先生之配偶。
2. 11,320,192股由 Hang Sing 持有，Orient Strength 持有 Hang Sing 51% 權益，而陳城先生及劉婷女士則全資擁有 Orient Strength。10,595,042 股由 Strong Purpose 持有，陳城先生及劉婷女士全資擁有 Strong Purpose。463,831,074 股由本公司持有。
3. 陳城先生與劉婷女士之權益重疊。
4. 此等股份由陳城先生擁有。
5. 255,200 股由董佩珊女士全資擁有之公司 Focus Cheer 持有。
6. 余永強先生於二零零五年四月十一日辭任本公司執行董事。

除上文所披露者外，於二零零四年十二月三十一日，本公司各董事或行政總裁概無於本公司或其任何聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有任何權益或淡倉記錄在按照證券及期貨條例第352條所規定須備存之登記冊內，或須如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所。



Report of the Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2004, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company:

Interests in Shares

Name of shareholder	Nature of interest	Number of shares held	Approximate percentage interest in the Company's issued share capital 約佔本公司已發行股本百分比	Note
股東名稱	權益性質	持股數目		附註
Hang Sing	Beneficiary 實益	226,403,853	21.48%	1
Orient Strength	Corporate 法團	226,403,853	21.48%	1
Zhong Shan Company Limited 鍾山有限公司	Corporate 法團	226,403,853	21.48%	1
Superior Quality Assets Limited	Corporate 法團	226,403,853	21.48%	1
Strong Purpose	Beneficiary 實益	211,900,848	20.10%	2
Bonnaire International Limited	Trustee 受託人	79,644,000	7.56%	—

Notes:

- 51% of the issued share capital of Hang Sing was owned by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, and 49% of the issued share capital of Hang Sing was owned by Superior Quality Assets Limited, a company which is wholly-owned by Zhong Shan Company Limited. Zhong Shan Company Limited was wholly-owned by the Jiangsu Provincial People's Government of the PRC. These 226,403,853 shares held by Hang Sing formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.
- These 211,900,848 shares held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.

主要股東於股份及相關股份中擁有的權益及淡倉

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第336條所規定須予備存之登記冊所載，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益及淡倉：

股份權益

附註：

- Hang Sing之51%已發行股本乃由陳城先生及劉婷女士全資擁有之Orient Strength所擁有，另外Hang Sing之49%已發行股本則由鍾山有限公司全資擁有之Superior Quality Assets Limited所擁有。鍾山有限公司乃中國江蘇省人民政府全資擁有之公司。Hang Sing持有之226,403,853股乃本文所分別披露陳城先生及劉婷女士之權益之一部份。
- Strong Purpose所持有之211,900,848股，為本文所分別披露陳城先生及劉婷女士之權益之一部份。



Report of the Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

(continued)

Save as disclosed above, as at 31 December 2004, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

SERVICE CONTRACTS WITH DIRECTORS

None of the Directors offering themselves for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

There was no contracts of significance (as defined in paragraph 15.2 of Appendix 16 of the Listing Rules) in relation to the Group's business to which the Company or any of its subsidiaries 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.

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.

主要股東於股份及相關股份中擁有的權益及淡倉 (續)

除上文所披露者外，於二零零四年十二月三十一日，概無任何人士（本公司董事或行政總裁除外）於本公司股份及相關股份中擁有權益或淡倉記錄於按照證券及期貨條例第336條所存置的登記冊內，及／或直接或間接地持有已發行股本面值的5%或以上權益，並可於任何情況下，有權在本集團任何其他成員公司的股東大會上投票的權益。

董事之服務合約

於即將舉行之股東週年大會上擬重選連任之董事，概無與本公司訂立任何本公司不可於一年內免付賠償（法定賠償除外）予以終止之服務合約。

董事於合約之權益

本公司董事或管理層成員概無於本公司或任何其附屬公司於年終時或於年內訂立，且對本集團業務而言屬重大合約（定義見上市規則附錄十六第15.2段），直接或間接擁有任何重大權益。

管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。



Report of the Directors 董事局報告

EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated profit and loss account for the year are set out in note 35 to the accounts on pages 100 and 101.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 104.

MAJOR TRANSACTION – SALE OF PROPERTY

On 26 August 2004, Camety Company Limited, a wholly owned subsidiary of the Company, as vendor entered into a preliminary sale and purchase agreement with, inter alia, Reindeer Village Ltd. as purchaser in respect of the sale of the property at G/F to 2/F, Yuen King Building, Sai Yeung Choi Street South, Mongkok, Hong Kong (the "Property") at a cash consideration of HK\$138,000,000. The formal agreement for the sale and purchase of the Property was subsequently entered on 15 September 2004 (the "S&P Agreement").

The S&P Agreement constituted a major transaction for the Company. On 26 October 2004, a Special General Meeting of the Company was held and the sale of Property was approved by the shareholders in the Meeting. Completion of the sale of the Property took place on 18 November 2004.

僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益帳之僱員退休福利費用，載於第100頁及101頁之帳目附註35。

五年財務概要

本集團過去五個財務年度之業績、資產及負債概要刊載於第104頁。

主要交易－出售物業

於二零零四年八月二十六日，本公司全資附屬公司Camety Company Limited為賣方與（其中包括）Reindeer Village Ltd.為買方，就出售香港旺角西洋菜南街遠景大廈地下至二樓物業（「該物業」）簽訂臨時買賣協議，代價為現金港幣138,000,000元。雙方其後就買賣該物業於二零零四年九月十五日簽訂正式協議（「買賣協議」）。

該買賣協議構成本公司之主要交易。於二零零四年十月二十六日，本公司舉行特別股東大會，於會上獲股東批准出售該物業。該物業於二零零四年十一月十八日完成出售。



Report of the Directors 董事局報告

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

- (1) On 6 December 2002, On Smart Holdings Limited ("On Smart"), a wholly-owned subsidiary of the Company, had entered into a loan agreement (the "On Smart Loan Agreement") with a group of banks and financial institutions whereby On Smart was granted a 3-year syndicated loan facility of up to HK\$130 million (the "On Smart Facility"). The On Smart Loan Agreement included an undertaking on procuring that Mr. Chan Shing, the Chairman and Managing Director of the Company, and Ms. Lau Ting, the spouse of Mr. Chan Shing and an Executive Director of the Company, (the "Chan Family") beneficially own, in aggregate, either directly and indirectly, more than 30 per cent. of the total issued share capital from time to time of the Company and that the Chan Family shall at all times during the term of the On Smart Loan Agreement remain the single largest beneficial shareholder of the Company. A breach of such undertaking would constitute an event of default under the On Smart Facility, upon the occurrence of which all amounts outstanding and owing under the On Smart Facility should become immediately due and payable.

Subsequent to the financial year ended 31 December 2004, the On Smart Facility was fully repaid on 6 April 2005 and the above specific performance obligation cease to exist thereafter.

根據上市規則第13.21條之披露

- (1) 於二零零二年十二月六日，本公司全資附屬公司安怡集團有限公司（「安怡」）與一組銀行及金融機構簽立貸款協議（「安怡貸款協議」），據此，安怡獲得一項為期三年數額達1.3億港元之銀團貸款（「安怡貸款」）。安怡貸款協議載有一項有關促使本公司主席兼董事總經理陳城先生及本公司執行董事劉婷女士（彼為陳城先生之配偶）（「陳氏家族」）需直接或間接合共實益擁有本公司不時已發行股本總額的30%以上的承諾，以及陳氏家族在安怡貸款協議期內須維持為本公司單一最大實益股東。倘違反該承諾，則將構成安怡貸款項下的違約事項。一旦發生有關違約事項，在安怡貸款項下尚未償還的結欠金額即立刻到期並須即時清還。

於截至二零零四年十二月三十一日止年度後，安怡貸款於二零零五年四月六日全部清還，而上述特定責任之履行自該日起終止。



Report of the Directors 董事局報告

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES (continued)

(2) On 1 March 2005, Fordwell Investment Limited ("Fordwell"), a wholly-owned subsidiary of the Company, entered into a facility agreement (the "Fordwell Facility Agreement") with a syndicate of financial institutions whereby Fordwell was granted a 3-year transferable term loan facility of up to US\$39,000,000 (the "Fordwell Facility"). The Fordwell Facility Agreement includes an undertaking on procuring that the Chan Family shall remain as the combined single largest shareholder of the Company and own (directly or indirectly) in the aggregate 30% or more of the ordinary issued shares of the Company at all times during the term of the Fordwell Facility Agreement. A breach of such undertaking will constitute an event of default under the Fordwell Facility, upon the occurrence of which all amounts outstanding and owing under the Fordwell Facility may become immediately due and payable.

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, the Company has maintained the prescribed public float under the Listing Rules.

CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules in force prior to 1 January 2005 throughout the year, except that the non-executive directors are not appointed for a specific term, as they have to retire by rotation at the annual general meeting of the Company when they are due for re-election pursuant to the Bye-laws of the Company.

根據上市規則第13.21條之披露 (續)

(2) 於二零零五年三月一日，本公司全資附屬公司偉福投資有限公司（「偉福投資」）與一組金融機構簽立貸款協議（「偉福貸款協議」），據此，偉福投資將獲得一項為期三年數額達3,900萬美元之可轉讓定期貸款（「偉福貸款」）。偉福貸款協議載有一項有關促使陳氏家族在偉福貸款協議期內須維持是本公司單一最大股東，並直接或間接合共擁有本公司不時已發行股本總額的30%以上的承諾。倘違反該承諾，則將構成偉福貸款項下的違約事項。一旦發生有關違約事項，在偉福貸款項下尚未償還的結欠金額即立即到期並須即時清還。

公眾持股量之足夠性

根據本公司可從公開途徑取得之資料，並據董事所知，本公司維持上市規則所定之公眾持股量。

最佳應用守則

本公司於年度內一直遵守上市規則附錄十四（在二零零五年一月一日前有效的）所載之最佳應用守則，惟本公司非執行董事均無明確任期，彼等須根據本公司之章程細則條文規定於本公司之股東週年大會上輪值告退及重選連任。



Report of the Directors 董事局報告

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises the three Independent Non-Executive Directors of the Company, Mr. CUI Shu Ming, Mr. SONG Yufang and Mr. HUANG Shenglan. Its principal duties include the review of the Company's annual report and accounts, interim report and review and supervision of the Company's financial reporting and internal control procedures. The audited accounts as at and for the year ended 31 December 2004 have been reviewed by the Audit Committee.

The Audit Committee has met twice to discuss and review the Company's interim report and annual report during the year ended 31 December 2004, and provided advices and recommendations to the Board of Directors.

AUDITORS

PricewaterhouseCoopers, who has been appointed as auditors of the Company since 2002, will 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
CHAN Shing
Chairman

Hong Kong, 22 April 2005

董事證券交易標準守則

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）為本公司之董事證券交易行為守則。在向所有董事作出特定查詢後，所有董事均確認彼等已遵守標準守則所載之規定標準。

審核委員會

本公司已按照上市規則第3.21條成立審核委員會。審核委員會由三位獨立非執行董事崔書明先生、宋玉芳先生及黃勝藍先生組成，其主要職責包括審閱本公司年報及帳目、中期報告及檢討及監察本公司之財務匯報及內部監管程序。截至二零零四年十二月三十一日止年度之審核帳目經由審核委員會審閱。

截至二零零四年十二月三十一日止年度內，審核委員會共舉行了兩次會議，旨在討論及審閱本公司之中期報告及年報，並從而向董事局提供意見及建議。

核數師

羅兵咸永道會計師事務所自二零零二年獲董事局聘任為本公司核數師，其將任滿告退，有關續聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

董事局代表
主席
陳城

香港，二零零五年四月二十二日