



REPORT OF THE DIRECTORS

董事局報告書

董事局同寅謹呈覽本公司及其附屬公司（統稱「集團」）截至二零零五年三月三十一日止年度之年報及經審核之財務報告。

主要業務

本公司為一投資控股公司。本公司附屬公司之業務包括設計、製造及銷售範圍廣泛之電子產品、證券買賣及地產發展。

業績及分配

截至二零零五年三月三十一日止年度之本集團業績載於第23頁之綜合損益表。

董事局已宣派中期股息2港仙。董事局建議分派末期股息每股2港仙。

財務概要

本集團過去五個財政年度之財務概要已載於第82頁及83頁內。

股本

於本年內，本公司於香港聯合交易所有限公司（「聯交所」）購回共2,067,500股，董事局認為當時公司股票交易價格以每股淨資產值折扣交易，回購股份會增加本公司之每股資產淨值。本公司亦因行使購股權而發行7,455,632股新股。

股本之變動情況載於財務報告附註28內。

投資物業

在年結日，本集團將其投資物業重估，重估所產生之7,290,000港元溢利已計入綜合收益表中。有關本集團之投資物業詳情，已載於財務報告附註12內。

物業、機器及儀器

本年度，本集團為擴張業務而購入之物業、機器及儀器約為58,042,000港元。上述及其他有關本集團物業、機器及儀器於本年度內之變動及詳情，已載於財務報告附註13內。

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the design, manufacture and sale of a wide range of electronic products, securities trading and property development.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2005 are set out in the consolidated income statement on page 23.

An interim dividend of HK2 cents per share was paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK2 cents per share.

FINANCIAL SUMMARY

A 5 years financial summary of the Group is set out on pages 82 and 83.

SHARE CAPITAL

During the year, the Company repurchased a total of 2,067,500 of its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company. The Company also issued 7,455,632 new shares as a result of the exercise of options.

Details of the movements in share capital are set out in note 28 to the financial statements.

INVESTMENT PROPERTIES

At the balance sheet date, the Group revalued its investment properties. The corresponding surplus arising on revaluation of HK\$7,290,000 was credited to the consolidated income statement. Details of revaluation of the investment properties of the Group as at 31 March 2005 are set out in note 12 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment of HK\$58,042,000 to expand its business. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.



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董事及董事服務合約

於本年度及截至本報告日期為止之董事如下：

執行董事：

劉錫康
劉錫淇
劉錫澳

非執行董事：

韓相田 (由二零零四年九月三十日
從獨立非執行董事改任
非執行董事)

獨立非執行董事：

何厚鏘
陳澤仲 於二零零四年九月三十日委任
卓育賢 於二零零四年九月三十日委任
韓相田 於二零零四年九月三十日
改任為非執行董事

劉錫康先生、劉錫淇先生、陳澤仲先生及卓育賢先生將依照本公司之章程細則第77及82條於即將召開之股東週年大會上告退，及有資格膺選連任。

擬於即將召開之股東週年大會被提名膺選連任之任何董事，概無與本公司或其附屬公司訂有本集團不可於一年內毋須補償（法定賠償除外）而終止之服務合約。

獨立非執行董事之委任期限為一年直至二零零五年九月三十日及依照本公司細則用輪值告退方法委任。

董事之合約利益及關連交易

於本年度內，劉錫康先生，本集團主要股東，為本集團之一項非上市證券投資之減值提供個人擔保額達一千伍佰萬港元。（二零零四年：一千伍佰萬港元）。

於本年結日或本年度任何時間內，本公司或其附屬公司並未與任何董事訂立重要合約而使彼等直接或間接地獲得重大利益。

DIRECTORS AND SERVICE CONTRACTS

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

Executive directors:

Lau Sak Hong, Philip
Lau Sak Kai, Anthony
Lau Sak Yuk, Andy

Non-executive director:

Hon Sheung Tin, Peter (re-designated from independent
non-executive director on
30 September 2004)

Independent non-executive directors:

Ho Hau Chong, Norman
Chan Chak Chung (appointed on 30 September 2004)
Chuck Winston Calptor (appointed on 30 September 2004)
Hon Sheung Tin, Peter (re-designated as non-executive director
on 30 September 2004)

In accordance with the Company's Bye-laws 77 and 82, Lau Sak Hong, Philip, Lau Sak Kai, Anthony, Chan Chak Chung and Chuck Winston Calptor will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Independent non-executive directors have been appointed for a term of one year until 30 September 2005 and are subject to retirement by rotation as required by the Company's Bye-laws.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, Mr. Lau Sak Hong, Philip, a major shareholder of the Group, has provided a personal guarantee to indemnify the Group for any impairment of an unlisted investment in securities to the extent of HK\$15 million (2004: HK\$15 million).

Save as disclosed above, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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董事之證券權益

截至二零零五年三月三十一日，根據證券及期貨條例（「證券及期貨條例」）第XV部該部份要求依照證券及期貨條例第XV部之第7及8部份之定義（包括根據證券及期貨條例之定義，他們持有或被視為持有權益或淡倉）或按本公司根據證券及期貨條例第352條而設之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則另行通知本公司及聯交所，各董事及主要行政人員於本公司及聯繫公司之股份中之權益及淡倉如下：

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2005, the interests and short positions of the directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

董事姓名	Name of director	長倉／淡倉 Long position/ short position	身分 Capacity	持股數目 Number of shares held	持股 百分比 Approximate percentage of shareholding
執行董事： Executive directors:					
劉錫康	Lau Sak Hong, Philip	長倉 Long position	實益擁有人 Beneficial owner	64,504,072	8.46%
			擁有被控公司之 權益（附註a） Interest of controlled corporation (note a)	3,018,090	0.40%
			擁有授控公司之 權益（附註b） Interest of controlled corporation (note b)	10,100,415	1.32%
			信託基金持有（附註c） Held by trust (note c)	168,114,050	22.04%
					32.22%

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董事之證券權益 — 續

DIRECTORS' INTERESTS IN SECURITIES – continued

董事姓名	Name of director	長倉／淡倉 Long position/ short position	身分 Capacity	持股數目 Number of shares held	持股 百分比 Approximate percentage of shareholding	
劉錫淇	Lau Sak Kai, Anthony	長倉 Long position	實益擁有人	37,265,929	4.89%	
			Beneficial owner			
			擁有被控公司之 權益 (附註a)	3,018,090	0.40%	
			Interest of controlled corporation (note a)			
			擁有被控公司之 權益 (附註b)	10,100,415	1.32%	
			Interest of controlled corporation (note b)			
					6.61%	
劉錫澳	Lau Sak Yuk, Andy	長倉 Long position	實益擁有人	35,059,108	4.60%	
			Beneficial owner			
			擁有被控公司之 權益 (附註a)	3,018,090	0.40%	
			Interest of controlled corporation (note a)			
			擁有被控公司之 權益 (附註b)	10,100,415	1.32%	
			Interest of controlled corporation (note b)			
					6.32%	
非執行董事	Non-executive director:					
韓相田	Hon Sheung Tin, Peter	長倉 Long position	實益擁有人 Beneficial owner	194,645	0.03%	
獨立非執行董事:	Independent non-executive director:					
卓育賢	Chuck Winston Calptor	長倉 Long position	實益擁有人 Beneficial owner	770,000	0.10%	



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董事之證券權益 – 續

附註：

- (a) 該等股份乃透過由劉錫康、劉錫淇及劉錫澳（連同其他家族成員簡稱「劉氏家族」）實益擁有之公司K.K. Nominees Limited持有。
- (b) 該等股份乃透過由劉氏家族實益擁有之公司Wincard Management Services Limited持有。
- (c) 該等股份由一全權信託基金實益擁有之公司Philip Lau Holding Corporation直接或間接持有，該全權信託基金之受益人包括劉錫康及其聯繫人士。

此外，其他劉氏家族成員共持有3,114,283股股份。

除上文所披露者及某些董事以本公司或其附屬公司受託人身份持有附屬公司之若干代理人股份外，於二零零五年三月三十一日並未有任何董事或主要行政人員於本公司或有關公司依據證券及期貨條例第十五條7及8部份規定須予存置之登記冊所載記錄顯示或根據上市公司條例第352條董事進行證券交易標準守則須知會本公司及聯交所擁有權益。

購股權計劃

根據本公司於一九九七年四月七日舉行之股東特別大會所通過採用為期四年之購股權計劃（一九九七年計劃），董事局可授予購股權給本集團任何有資格之員工，包括本公司及其附屬公司之董事，認購本公司之股份。所授予之購股權由授予購股權當日起計於五年內可行使。根據一九九七年計劃授出購股權取高股份數量限額為當時股本之10%。購股權之股份認購價為股份之面值或於授予購股權前五個交易日股份之平均最後成交價之80%，以較高者為準。

DIRECTORS' INTERESTS IN SECURITIES – continued

Notes:

- (a) These shares are held through K.K. Nominees Limited, a company which is beneficially owned by Lau Sak Hong, Philip, Lau Sak Kai, Anthony and Lau Sak Yuk, Andy (hereinafter collectively with other family members referred to as the "Lau family").
- (b) These shares are held through Wincard Management Services Limited, a company which is beneficially owned by the Lau family.
- (c) These shares are beneficially owned directly or indirectly by Philip Lau Holding Corporation, a company beneficially owned by a discretionary trust, the discretionary objects of which include Lau Sak Hong, Philip and his associates.

In addition, other members of the Lau family held an aggregate of 3,114,283 shares.

Save as disclosed above and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, as at 31 March 2005, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register 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 in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

SHARE OPTIONS

Under the Company's share option scheme which was approved and adopted at the special general meeting of the Company held on 7 April 1997 ("1997 Scheme") for a period of 4 years, for the primary purpose of providing incentives to directors and eligible employees, the directors may grant options to any eligible employees of the Group, including directors, of the Company and its subsidiaries to subscribe for shares in the Company. Options granted are exercisable within a period of five years commencing from the date of grant of the options. The maximum number of shares in respect of which options may be granted under the 1997 Scheme is limited to 10% of the issued share capital from time to time. The subscription price of the option shares is the higher of the nominal value of the shares and an amount which is not less than 80% of the average of the last dealt prices of the shares on the five trading days immediately preceding the offer of the options.

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購股權計劃－續

購股權不可授予任何僱員如該僱員行使全部購股權時，將會引致其認購股數超過一九九七年計劃總股數之百分之二十五。授予購股權可於由授予日起28日內繳付1港元以示接受該購股權。持有每一購股權可以相關之行使價認購1股。當行使購股權時需全額繳付認購價。

一九九七年計劃已於二零零一年四月六日到期，由此，沒有購股權可根據此一九九七年計劃授出。根據一九九七年計劃已授出之購股權仍然有效。於本年度，根據一九九七年計劃已授予之購股權變動情況如下：

SHARE OPTIONS – continued

No employee shall be granted an option which, if exercised in full, would result in such employee becoming entitled to subscribe for such number of shares, exceeding 25% of the aggregate number of shares for the time subject to the 1997 Scheme. The offer of a grant of share option may be accepted within 28 days from the date of offer with a payment of nominal consideration of HK\$1 by the grantee. Each option gives the holder the right to subscribe for one share at the relevant exercise price. Full amount of the subscription price of the shares must be paid upon the exercise of options.

The 1997 Scheme was expired on 6 April 2001 and thereafter, no more option could be granted pursuant to the 1997 Scheme. In respect of the option already granted under the 1997 Scheme, the provisions will remain in force. The movements of the outstanding options which have been granted to certain employees of the Group under the 1997 Scheme were as follows:

購股權數目 Number of option shares

擬予日期 Date of grant	行使價 Exercise price	於二零零四年 四月一日之 購股權數目 Outstanding as at 1.4.2004 港元 HK\$	本年度內 行使購股權 數目 Exercised during the year	於二零零五年 三月三十一日 購股權數目 Outstanding as at 31.3.2005
2.7.1999	0.40	5,455,632	5,455,632	—

根據本公司於二零零二年九月十二日舉行之股東特別大會所通過採用為期五年之購股權計劃「二零零二年計劃」。主要目的在於鼓勵及獎勵參與者對本集團作出之貢獻。可參與二零零二年計劃人仕包括員工，非執行董事，商品或服務供應商，顧客，諮詢人或顧問以及集團公司股東。

根據二零零二年計劃連同公司其他購股權計劃，購股權最高可授出股份之總數，不得超過於二零零二年計劃獲通過之日已發行股份之10%而整體已授出及可行使購股權股份數目不可超過當時已發行股份之30%。

A new share option scheme was approved and adopted at the special general meeting of the Company held on 12 September 2002 ("2002 Scheme") for a period of 5 years. The primary purpose is to provide incentives or rewards to participants for their contribution to the Group. Eligible participants of the 2002 Scheme included any employees, non-executive directors, suppliers of goods or services, customers, advisors or consultant and shareholders of any member of the Group.

The maximum number of shares options which may be issued upon exercise of all options to be granted under the 2002 Scheme and other share option scheme of the Company must not, in aggregate, exceed 10% of the shares in issue while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

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購股權計劃－續

於購股權授出之日的12個月內，各參與者（主要股東，獨立非執行董事及其親屬除外）行使購股權而發行及將予發行之股份總數不可超逾當時已發行股本之1%。

購股權可行使期限由董事局決定，惟不可於授出日起計超過五年。承授人可於購股權限內任何時間行使購股權。

購股權之股份認購價由董事局決定，惟有關價格不得低過於授予購股權當日，股份之收市價，或授出日期前連續五個交易日股份平均收市價，或股份於授出日期之面值。

授出購股權之代價為1港元，該金額在任何情況下將不可退還。

本年度，根據二零零二年計劃已授予之購股權變動情況如下：

SHARE OPTIONS – continued

The total number of shares issued and to be issued upon exercise of the option granted to each participant (except substantial shareholder, independent non-executive director, or their respective associates) in any 12 month period up to the date of the grant shall not exceed 1% of the shares in issue.

The period within which the shares must be taken up under an option is any period as determined by the Board, which shall not be more than 5 years from the date on which the option is granted. The option may be exercised by the grantee at any time during the option period.

The subscription price of the share options is determined by the Board, but will be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of the shares of the 5 trading day immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

The consideration for the grant is HK\$1 and it will in no circumstance be refundable.

The movements of the outstanding options which have been granted to certain employees of the Group under the 2002 Scheme were as follows:

擬予日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of option shares			
		於二零零四年 四月一日之 購股權數目 Outstanding as at 1.4.2004	在本年內 授予購股權 數目 Granted during the year	本年度內 行使購股權 數目 Exercised during the year	於二零零五年 三月三十一日 購股權數目 Outstanding as at 31.3.2005
2.5.2003	0.40	6,700,500	–	2,000,000	4,700,500
10.10.2003	0.86	15,144,000	–	–	15,144,000
24.8.2004	0.808	–	3,000,000	–	3,000,000
2.11.2004	0.814	–	2,650,000	–	2,650,000
7.2.2005	0.67	–	1,500,000	–	1,500,000

本年度內根據一九九七年及二零零二年計劃，本公司沒有授予購股權予董事。

No share options were granted to the directors of the Company pursuant to the 1997 scheme and 2002 Scheme during the year.

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購股權計劃 – 續

附註：

- (1) 以上購股權由授出日起五年內行使。
- (2) 本年度並無購股權失效或取消。
- (3) 董事認為，由於不能準確釐定評估購股權價值之若干重要因素，故不適宜對在本年度授予購股權進行估值，根據多項推測性假設而評估購股權之價值，乃無意義，且可能誤導股東。
- (4) 行使購股權當日之前一日，加權平均收市價為每股0.85港元。
- (5) 於二零零四年八月二十四日購股權授出日之前一日，收市價為每股0.80港元。
- (6) 於二零零四年十一月二日購股權授出日之前一日，收市價為每股0.81港元。
- (7) 於二零零五年二月七日購股權授出日之前一日，收市價為每股0.67港元。

購買股份或債券之安排

除根據本公司購股權計劃授予用以認購本公司股份之購股權外，本公司或其任何附屬公司於本年度內概無參與任何安排，使董事能藉此獲得本公司或其他任何法人團體之股份或債券而獲得利益。

主要股東

於二零零五年三月三十一日，根據本公司按證券及期貨條例第336條第十五部份規定而設置之主要股東權益及淡倉登記冊記錄所顯示，以下人士（除上述披露有關董事所持之權益外）持有本公司已發行股本及相關股份百分之五或以上之股份權益：

姓名	Name	持有普通股股份數目 Number of ordinary shares in which interested	佔已發行 股本之百分比 % of total issued shares
李裕章	Lee Yu Chiang	42,140,878	5.53%

除上述外，於二零零五年三月三十一日，根據《證券及期貨條例》第336條須予備存之登記冊，並無記錄其他人士在本公司之股份及相關股份中擁有任何權益及淡倉。

SHARE OPTIONS – continued

Notes:

- (1) The above options were granted for an exercise period of five years from the date of grant of the options.
- (2) No option was lapsed or cancelled during the year.
- (3) The directors consider it inappropriate to value the options granted during the year as a number of factors critical for the valuation cannot be determined accurately. Any valuation of the options based on various speculative assumptions would be meaningless and could be misleading to the shareholders.
- (4) The weighted average closing price per share immediately before the date on which the options were exercised was HK\$0.85.
- (5) The closing price per share immediately before 24 August 2004, the date on which the options were granted, was HK\$0.80.
- (6) The closing price per share immediately before 2 November 2004, the date on which the options were granted, was HK\$0.81.
- (7) The closing price per share immediately before 7 February 2005, the date on which the options were granted, was HK\$0.67.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than options holding disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2005, the following person, other than the interest disclosed above in respect of the directors, had interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Save as mentioned above and in section of "Directors' Interests in Securities", as at 31 March 2005, the register maintained by the Company pursuant to section 336 of the SFO recorded no other interests or short positions in shares of the Company.

REPORT OF THE DIRECTORS

董事局報告書

購買、出售或贖回上市證券

本年度內，本公司在香港聯合交易所有限公司（「聯交所」）購回本公司股份詳情如下：

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

During the year, the Company repurchased its shares on the Stock Exchange as follows:

月份	Month	購回每股0.40港元 股份數目 Number of shares of HK\$0.40 each repurchased	每股價格		總額 Aggregate consideration 千港元 HK\$'000
			最低價 Lowest 港元 HK\$	最高價 Highest 港元 HK\$	
二零零四年八月	August 2004	1,217,500	0.79	0.80	964
二零零四年十月	October 2004	850,000	0.80	0.81	685
		2,067,500			1,649

該等購回股份已全部註銷，而本公司已發行股本之面值亦相應減低。購回股份之溢價總額已在累計溢利中扣除。而相等於購回及註銷股份面值則由累計溢利轉撥往股本贖回儲備。

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase was debited to accumulated profits. An amount equivalent to the nominal value of the shares cancelled was transferred from accumulated profits to the capital redemption reserve.

股份優先購買權

本公司之公司細則或百慕達法例均無對優先購買權作出任何限制，故本公司毋需按比例向現有股東發售新股。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws in Bermuda.

主要供應商與客戶

本集團最大及首5間最大之客戶分別佔本集團營業總額16.5%及53.72%。

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for 16.5% and 53.72% respectively of the Group's total turnover for the year.

本集團最大首5間之供應商佔本集團購貨總額少於30%。

Aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the total purchases.

除上文所披露外，本公司董事或其關聯人仕或任何股東（據董事所知持有本公司股份多於5%）在5大客戶中並無持有任何權益。

Save as disclosed above, none of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers.



REPORT OF THE DIRECTORS

董事局報告書

薪酬政策

本集團員工之薪酬政策由薪酬委員會根據彼等之貢獻、資歷及能力制訂。該委員會成立於二零零四年十二月二十二日。

本公司董事薪酬由薪酬委員會根據營運業績、個人表現及對比市場調查統計而決定。

本公司已採納一項購股權計劃作為對董事及合資格員工之獎勵。該計劃詳情列於財務報表附註29。

企業管治

董事局認為於截至二零零五年三月三十一日止年內，本公司一直遵照聯交所證券上市規則（「上市規則」）附錄14所載最佳應用守則。於二零零五年一月一日企業管治常規守則（「新守則」）已取代最佳應用守則，根據新守則，上市發行人需要由二零零五年一月一日起遵守新守則。

另外，本集團已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則，作為本公司董事及指定僱員其職位及工作有可能掌握本集團尚未公佈有關股價敏感資料推行證券交易之守則。

年度之獨立確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條而發出之年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

上市發行公司之董事對進行證券交易行為之標準守則遵守

本公司已採納上市規則附錄10所載之標準守則，作為本公司董事進行證券交易之行為守則。經本公司作出一項特定查詢後，所有董事確認彼等於二零零五年三月三十一日年度內已完全遵守標準守則所定之標準。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee, which is established on 22 December 2004, on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 29 to the financial statements.

CORPORATE GOVERNANCE

In the opinion of the Directors of the Company, the Company has complied throughout the year ended 31 March 2005 with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). On 1 January 2005, the Code of Best Practices has been replaced by the Code of Corporate Governance Practice ("New Code"). Pursuant to the New Code, listed issuers are expected to comply with the code provisions starting from 1 January 2005.

Besides, the Group has adopted the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Director of the Company and specified employees who, by reference to their positions and duties, are likely to be in possession of unpublished price sensitive information of the Group.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independent non-executive directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive directors to be independent.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2005.



REPORT OF THE DIRECTORS

董事局報告書

充足公眾持股量

本公司於截至二零零五年三月三十一日止年度內一直維持充足之公眾持股量。

核數師

由二零零二年四月一日至二零零四年三月三十一日止這兩年，本公司之核數師由摩斯倫•馬賽會計師事務所擔任，而截至二零零五年三月三十一日止之會計年度則由德勤•關黃陳方會計師行擔任。

有關重選德勤•關黃陳方會計師行為本公司核數師之決議案將於即將召開之股東週年大會上提呈。

承董事局命
主席
劉錫康

香港，二零零五年七月二十三日

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2005.

AUDITORS

For the two years from 1 April 2002 to 31 March 2004, Messrs. Moores Rowland Mazars acted as auditors of the Company while Messrs. Deloitte Touche Tohmatsu acted as auditors of the Company for the year ended 31 March 2005.

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Lau Sak Hong, Philip
CHAIRMAN

Hong Kong, 23 July 2005