

REPORT OF THE DIRECTORS 董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise supply and procurement business. During the year, following the disposal of Gadgets Yard Limited, a previously 51% owned subsidiary of the Company, the Group ceased the operations of design, manufacture and sale of a wide range of toys. There were no other significant changes in the nature of the Group's principal activities during the year.

RESULTS

The Group's loss for the year ended 31 March 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 33 to 132.

董事會謹此提呈本公司及本集團截至二零零六年三月三十一日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。附屬公司之主要業務包括供應及採購業務。年內，於出售本公司過往持有51%股權之附屬公司源製有限公司後，本集團已終止經營設計、製造及銷售廣泛種類之玩具之業務。本集團之主要業務性質於年內並無其他重大改變。

業績

本集團截至二零零六年三月三十一日止年度之虧損及本公司與本集團於該日之業務狀況列載於財務報表第33至第132頁。

REPORT OF THE DIRECTORS 董事會報告

SUMMARY FINANCIAL INFORMATION

A summary of the results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. This summary does not form part of the audited financial statements.

RESULTS

財務資料概要

以下為摘錄自己刊發之經審核財務報表並已作出適當重列／重新分類之本集團過往五個財政年度之業績及資產、負債與少數股東權益概要。本概要並不構成本經審核財務報表之一部分。

業績

		Year ended 31 March 截至三月三十一日止年度				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
CONTINUING OPERATIONS	持續經營業務					
Revenue	收入	155,550	144,687	-	-	-
Profit/(loss) before tax	除稅前溢利／(虧損)	693	(5,807)	(13,182)	57,295	(28,764)
Tax	稅項	(3,172)	(1,608)	-	-	-
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年度溢利／(虧損)	(2,479)	(7,415)	(13,182)	57,295	(28,764)
DISCONTINUED OPERATIONS	已終止經營業務					
Loss for the year from discontinued operations	已終止經營業務之本年度虧損	(7,855)	(1,717)	(16,868)	(20,388)	(31,485)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	(10,334)	(9,132)	(30,050)	36,907	(60,249)
Attributable to:	以下人士應佔：					
Equity holders of the Company	本公司權益持有人	(15,994)	(12,047)	(30,575)	36,907	(60,249)
Minority interests	少數股東權益	5,660	2,915	525	-	-
		(10,334)	(9,132)	(30,050)	36,907	(60,249)

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SUMMARY FINANCIAL INFORMATION (Continued)

財務資料概要 (續)

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產與負債及少數股東權益

		31 March				
		於三月三十一日				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
Total assets	總資產	118,007	139,472	89,383	90,198	108,028
Total liabilities	總負債	(110,524)	(134,027)	(95,696)	(118,115)	(255,484)
Minority interests	少數股東權益	(9,607)	(2,395)	520	-	-
		(2,124)	3,050	(5,793)	(27,917)	(147,456)

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

物業、廠房及設備及投資物業

本公司及本集團物業、廠房及設備及投資物業年內之變動詳情分別載於財務報表附註14及15。

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE NOTE AND BONDS

Details of movements in the Company's share capital, share options and convertible note and bonds during the year, together with the reasons therefor, are set out in notes 27, 28 and 25 to the financial statements, respectively.

股本、購股權及可換股票據及債券

年內，本公司股本、購股權及可換股票據及債券之變動詳情連同有關原因分別載於財務報表附註27、28及25。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

優先購買權

本公司之公司細則或百慕達一九八一年公司法並無有關優先購買權之規定，故本公司毋須按比例發售新股予現有股東。

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES/DEFICITS

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

DISTRIBUTABLE RESERVES

At 31 March 2006, the Company had no reserves available for cash distribution and/or distribution in specie as computed in accordance with the Companies Act 1981 of Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 97% of the total sales for the year and sales to the largest customer included therein accounted for approximately 66%. Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers during the year.

購買、贖回或出售本公司上市證券

本公司或其各附屬公司概無於年內購買、贖回或出售本公司任何上市證券。

儲備／虧絀

本公司及本集團年內之儲備／虧絀變動詳情分別載於財務報表附註29及綜合權益變動表內。

可供分派儲備

於二零零六年三月三十一日，根據百慕達一九八一年公司法計算，本公司並無可作現金分派及／或實物分派之儲備。

主要客戶及供應商

於回顧年度內，本集團五大客戶佔本集團年內總銷售額約97%，而最大客戶則佔本集團年內總銷售額約66%。本集團五大供應商佔本集團年內總採購額不足30%。

本公司董事或其任何聯繫人士或據董事所知擁有本公司已發行股本逾5%之任何股東，於年內概無持有本集團五大客戶或供應商之任何實質權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS

The directors of the Company during the year were:

Executive Directors:

Mr. Lo Ming Chi, Charles (*Chairman*)
Mr. Yu Wai Man
Mr. Wilson Ng
Mr. Ng Wee Keat
Mr. Ng Eng Leng

Independent Non-executive Directors:

Mr. Wong Kwok Tai
Mr. Lau Pok Lam
Mr. Ko Kwong Woon, Ivan

In accordance with bye-laws 87(1) and 87(2) of the Company's bye-laws, Mr. Lo Ming Chi, Charles, Mr. Ng Wee Keat, Mr. Ng Eng Leng and Mr. Lau Pok Lam will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received annual confirmations of independence from Mr. Wong Kwok Tai, Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan and as at the date of this report still considers them to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 8 to 10 of the annual report.

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.

董事

年內本公司之董事如下：

執行董事：

勞明智先生 (主席)
余偉文先生
黃偉盛先生
黃偉傑先生
黃應麟先生

獨立非執行董事：

黃國泰先生
劉璞琳先生
高廣垣先生

根據本公司之公司細則第87(1)及87(2)條，勞明智先生、黃偉傑先生、黃應麟先生及劉璞琳先生將於即將舉行之股東週年大會上輪值告退，惟符合資格並願膺選連任。

本公司已接獲黃國泰先生、劉璞琳先生及高廣垣先生所發出之年度獨立性確認書，彼等於本報告日期仍被視為獨立人士。

董事履歷

本公司董事履歷之詳情，載於年報第8至第10頁。

董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內由本公司不作出賠償(法定賠償除外)而終止之服務合約。

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DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事酬金

董事袍金須由股東於股東大會上批准。其他酬金由本公司董事會根據董事職責、責任及表現，以及本集團業績釐定。

董事之合約權益

除財務報表附註34所披露者外，董事於年內在由本公司或其任何控股公司、附屬公司及同系附屬公司訂立對本集團業務而言為重要之合約中，概無直接或間接擁有重大權益。

董事於股份及相關股份之權益及淡倉

於二零零六年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本及相關股份中擁有根據證券及期貨條例第352條須登記於本公司所存置之登記冊內之權益及淡倉，或根據上市公司董事進行證券交易的標準守則(「標準守則」)之規定而須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

於本公司普通股之好倉：

Name of director	董事姓名	Beneficiary of a trust 信託之受益人	Number of shares held, capacity and nature of interest 所持股份數目、身份及權益性質	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
Mr. Wilson Ng	黃偉盛先生		51,157,196 (note 1) (附註1)	61.86
Mr. Ng Wee Keat	黃偉傑先生		51,157,196 (note 1) (附註1)	61.86

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DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

董事於股份及相關股份之權益及淡倉 (續)

Long positions in share options of the Company:

於本公司購股權之好倉：

Name of director	董事姓名	Number of underlying shares held, capacity and nature of interest 所持相關股份數目、身份及權益性質	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
		Directly beneficially owned 直接實益擁有	
Mr. Lo Ming Chi, Charles	勞明智先生	800,000 (note 2) (附註2)	0.97
Mr. Yu Wai Man	余偉文先生	800,000 (note 2) (附註2)	0.97
Mr. Wilson Ng	黃偉盛先生	800,000 (note 2) (附註2)	0.97
Mr. Ng Wee Keat	黃偉傑先生	800,000 (note 2) (附註2)	0.97
Mr. Ng Eng Leng	黃應麟先生	800,000 (note 2) (附註2)	0.97

Long positions in convertible note of the Company:

於本公司可換股票據之好倉：

Name of director	董事姓名	Number of underlying shares held, capacity and nature of interest 所持相關股份數目、身份及權益性質	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
		Beneficiary of a trust 信託之受益人	
Mr. Wilson Ng	黃偉盛先生	180,487,804 (note 1) (附註1)	218.23
Mr. Ng Wee Keat	黃偉傑先生	180,487,804 (note 1) (附註1)	218.23

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. Vision Century Group Limited, a company incorporated in the British Virgin Islands and ultimately owned by a discretionary trust of which Mr. Wilson Ng and Mr. Ng Wee Keat are discretionary beneficiaries, is deemed to have interest in 231,645,000 shares of the Company, assuming that the convertible note of HK\$37,000,000 as at 31 March 2006 will be converted into 180,487,804 shares of the Company at a conversion price of HK\$0.205 per share. Further details of the convertible note are set out under the heading "Substantial shareholders' and other person's interests in shares and underlying shares" below.
2. Each of the personal interests directly beneficially owned by Mr. Lo Ming Chi, Charles, Mr. Yu Wai Man, Mr. Wilson Ng, Mr. Ng Wee Keat and Mr. Ng Eng Leng comprised 800,000 underlying shares in respect of the share options granted by the Company.

In addition to the above, as at 31 March 2006, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 31 March 2006, none of the directors had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份及相關股份之權益及淡倉 (續)

附註：

1. Vision Century Group Limited (為於英屬處女群島註冊成立之公司及最終由一個全權信託擁有，而黃偉盛先生及黃偉傑先生為該信託之全權受益人) 被視作擁有231,645,000股本公司股份之權益(假設於二零零六年三月三十一日總金額37,000,000港元之可換股票據按換股價每股0.205港元被兌換為180,487,804股本公司股份)。可換股票據之進一步詳情載於下文「主要股東及其他人士於股份及相關股份之權益」一節。
2. 勞明智先生、余偉文先生、黃偉盛先生、黃偉傑先生及黃應麟先生各自直接實益擁有之個人權益乃本公司授出購股權所涉及之800,000股相關股份之權益。

於二零零六年三月三十一日，除上文所述者外，若干董事就本公司之利益於若干附屬公司持有非實質個人股本權益，目的僅為符合最低公司股東成員人數之規定。

於二零零六年三月三十一日，除上文所披露者外，董事概無於本公司或其任何相聯法團之股份或相關股份中擁有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則之規定而須知會本公司及聯交所之權益或淡倉。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the disclosures under the heading "Director's interests and short positions in shares and underlying shares" above and the share option scheme disclosures in note 28 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Details of the share option scheme of the Company are set out in note 28 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name 名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發 行股本百分比	Number of underlying shares held [#] 所持相關 股份數目 [#]
Huang Group (BVI) Limited*	Through a controlled corporation 透過受控制公司	51,157,196	61.86	180,487,804
Huang Worldwide Holding Limited*	Through a controlled corporation 透過受控制公司	51,157,196	61.86	180,487,804
Vision Century Group Limited*	Directly beneficially owned 直接實益擁有	51,157,196	61.86	180,487,804
Mr. Ng (Huang) Cheow Leng* 黃昭麟先生*	As the settlor of a discretionary trust 作為一項全權信託之授予人	51,157,196	61.86	180,487,804
Mr. Kan Ka Chong, Frederick* 簡家驄先生*	As the trustee of a discretionary trust 作為一項全權信託之信託人	51,157,196	61.86	180,487,804

董事購買股份及債券之權利

除上文「董事於股份及相關股份之權益及淡倉」一節及財務報表附註28中購股權計劃一節內披露之事項外，於年內任何時間，並無授予任何董事或彼等各自之配偶或未成年子女可透過購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；同時，本公司、其任何控股公司、附屬公司及同系附屬公司概無訂立任何安排，致使董事可於任何其他法團獲得該等權利。

購股權計劃

有關本公司購股權計劃之詳情載於財務報表附註28。

主要股東及其他人士於股份及相關股份之權益

於二零零六年三月三十一日，根據證券及期貨條例第336條規定本公司須存置之權益登記冊記錄，以下股東擁有本公司已發行股本5%以上權益：

好倉：

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SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

- * Vision Century Group Limited is a wholly-owned subsidiary of Huang Worldwide Holding Limited, which is in turn wholly-owned by Huang Group (BVI) Limited. Huang Group (BVI) Limited is wholly-owned by a discretionary trust, of which Mr. Ng (Huang) Cheow Leng is the settlor and Mr. Kan Ka Chong, Frederick is the trustee. Mr. Ng (Huang) Cheow Leng, Mr. Wilson Ng and Mr. Ng Wee Keat are discretionary beneficiaries of the trust.
- * Pursuant to the subscription agreement dated 15 February 2006 entered into between Vision Century Group Limited and the Company, and an ordinary resolution passed at a special general meeting of the Company held on 27 March 2006, the Company issued a convertible note on 30 March 2006 in a principal amount of HK\$37,000,000 (the "Note") to Vision Century Group Limited. Assuming full conversion of the Note at the initial conversion price of HK\$0.205 per share, subject to adjustment from time to time, the maximum number of ordinary shares of HK\$0.01 each in the capital of the Company may be issued is 180,487,804 shares. As at 31 March 2006, the conversion right was not exercised.

There is a duplication of interests of 51,157,196 ordinary shares and 180,487,804 underlying shares in the Company among Huang Group (BVI) Limited, Huang Worldwide Holding Limited, Vision Century Group Limited, Mr. Ng (Huang) Cheow Leng and Mr. Kan Ka Chong, Frederick.

Save as disclosed above, as at 31 March 2006, no person, other than Mr. Wilson Ng and Mr. Ng Wee Keat, two directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東及其他人士於股份及相關股份之權益 (續)

- * Vision Century Group Limited乃Huang Worldwide Holding Limited之全資附屬公司，而Huang Worldwide Holding Limited乃由Huang Group (BVI) Limited全資擁有。Huang Group (BVI) Limited乃由一項全權信託全資擁有。該全權信託之授予人為黃昭麟先生，而簡家聰先生為其信託人。黃昭麟先生、黃偉盛先生及黃偉傑先生均為該信託之全權受益人。
- * 根據Vision Century Group Limited與本公司於二零零六年二月十五日訂立之認購協議，及在本公司於二零零六年三月二十七日舉行之股東特別大會上通過之普通決議案，本公司於二零零六年三月三十日向Vision Century Group Limited發行本金額37,000,000港元之可換股票據（「票據」）。假設票據按初步換股價每股0.205港元（可不時予以調整）全數兌換，則可予發行之本公司股本中每股面值0.01港元之普通股最高數目為180,487,804股。於二零零六年三月三十一日，換股權尚未行使。

Huang Group (BVI) Limited、Huang Worldwide Holding Limited、Vision Century Group Limited、黃昭麟先生及簡家聰先生所擁有之本公司51,157,196股普通股及180,487,804股相關股份權益屬同一批權益。

於二零零六年三月三十一日，除上文所披露者外，並無任何人士（不包括兩位本公司董事黃偉盛先生及黃偉傑先生，其權益載於上文「董事於股份及相關股份之權益及淡倉」一節）於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

- (a) On 20 February 2004, the Group entered into a shareholders' agreement (the "Xin Procurement Agreement") with Huang & Co (Singapore) Pte. Ltd. ("HCSPL"), a company incorporated in Singapore with limited liability, to form Xin Procurement & Trading Pte. Ltd. ("Xin Procurement"), a company incorporated in Singapore with limited liability. HCSPL is wholly-owned by New Century International Pte. Ltd. ("New Century"), a company incorporated in Singapore with limited liability. New Century is in turn wholly-owned by the parents of Mr. Wilson Ng and Mr. Ng Wee Keat, both are the executive directors of the Company and directors of HCSPL. Pursuant to Xin Procurement Agreement, the Group and HCSPL owned 51% and 49% of equity interests in Xin Procurement, respectively. On 20 February 2004, Xin Procurement entered into a supply agreement (the "Supply Agreement") with HCSPL whereby Xin Procurement has been appointed as a supplier to HCSPL for the supply of certain office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels.

The contract terms have been reviewed by the executive directors of the Company, who consider that the transactions were (i) in the ordinary and usual course of the business of the Group; (ii) in the interests of the Company; and (iii) on normal commercial terms that are fair and reasonable as far as the shareholders of the Company are concerned. By virtue of the interests of the parents of Mr. Wilson Ng and Mr. Ng Wee Keat in HCSPL, the formation of Xin Procurement and the transactions contemplated under the Supply Agreement constituted connected transactions of the Company under the Listing Rules. During the year, Xin Procurement made sales to HCSPL amounting to HK\$17,688,000.

關連交易及持續關連交易

年內，本公司及本集團曾進行以下關連及持續關連交易，若干有關詳情乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章之規定予以披露。

- (a) 於二零零四年二月二十日，本集團與一間在新加坡註冊成立之有限公司 Huang & Co (Singapore) Pte. Ltd.（「HCSPL」）訂立一份股東協議（「Xin Procurement協議」），以成立一間於新加坡註冊成立之有限公司－ Xin Procurement & Trading Pte. Ltd.（「Xin Procurement」）。HCSPL乃由一間在新加坡註冊成立之有限公司New Century International Pte. Ltd.（「New Century」）全資擁有。New Century則由黃偉盛先生及黃偉傑先生（兩位均為本公司執行董事及HCSPL董事）之父母全資擁有。根據Xin Procurement協議，本集團及HCSPL分別擁有Xin Procurement之51%及49%股本權益。於二零零四年二月二十日，Xin Procurement與HCSPL訂立一份供應協議（「供應協議」），據此，Xin Procurement已獲委任為HCSPL供應若干辦公室設備及辦公室用品、遠洋郵輪使用之機器、機械零件、機油及燃料之供應商。

合約條款已經本公司之執行董事審閱，本公司之執行董事認為該等交易(i)乃於本集團之一般及日常業務過程中進行；(ii)符合本公司之利益；及(iii)乃按正常商業條款訂立，而該等條款對本公司股東而言屬公平合理。根據上市規則，鑑於黃偉盛先生及黃偉傑先生之父母於HCSPL之權益，成立Xin Procurement及供應協議擬進行之交易構成本公司之關連交易。年內，Xin Procurement與HCSPL之銷售為17,688,000港元。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS (Continued)

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have confirmed that the continuing connected transactions have complied with the matters as set out in Rule 14A.38 of the Listing Rules.

- (b) On 30 March 2006, the Company issued a convertible note in the principal amount of HK\$37,000,000, as part of the consideration for the release and discharge of the Group from all of its obligations and liabilities in respect of a loan advanced by Vision Century Group Limited. Vision Century Group Limited has the right to convert the outstanding principal amount of the convertible note into shares at any time before 29 March 2009 at the initial conversion price of HK\$0.205 per conversion share. The convertible note carries interest at a rate of 1% per annum, which is payable semi-annually in arrears on 31 March and 30 September.
- (c) Pursuant to the Xin Procurement Agreement, HCSPL advanced HK\$1,127,000 to Xin Procurement as the initial working capital. The terms of the advance are set out in note 23 to the financial statements.

關連交易及持續關連交易 (續)

本公司獨立非執行董事已審閱上文所載之持續關連交易，並確認該等持續關連交易乃(i)於本集團正常及日常業務過程中；(ii)按一般商業條款或對本集團而言不遜於提供予獨立第三方之條款；及(iii)根據規管交易之相關協定依照屬公平合理並符合本公司股東整體利益之條款訂立。

本公司核數師已確認持續關連交易符合上市規則第14A.38條所載之事宜。

- (b) 於二零零六年三月三十日，本公司發行本金額37,000,000港元之可換股票據，作為解除及免除本集團就Vision Century Group Limited所墊付貸款而承擔之一切責任及負債之部分代價。Vision Century Group Limited有權於二零零九年三月二十九日前隨時將可換股票據結欠之本金額按初步換股價每股兌換股份0.205港元轉換為股份。可換股票據按年利率一厘計息，須於每年三月三十一日及九月三十日每半年到期時支付一次。
- (c) 根據Xin Procurement協議，HCSPL墊付1,127,000港元予Xin Procurement作為初期營運資本，有關墊款之條款載於財務報表附註23。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

(Continued)

- (d) During the year, HCSPL made advances of HK\$27,850,000 to the Group. As at 31 March 2006, the outstanding balance owed to HCSPL by the Group amounted to HK\$25,704,000 are unsecured, interest-free and have no fixed terms of repayment.
- (e) During the year, a management fee of HK\$580,000 was charged by HCSPL in respect of certain administrative services rendered to the Group. The management fee was determined between the Group and HCSPL.
- (f) During the year, HCSPL paid HK\$2,255,000 to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricants and bunkering.
- (g) During the year, Huang Procurement Pte. Ltd., a wholly-owned subsidiary of HCSPL, paid HK\$29,283,000 to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricants and bunkering.

Save as disclosed above, there are no transactions which would need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent the interests of the Company and/or the Group.

關連交易及持續關連交易 (續)

- (d) 年內，HCSPL墊付27,850,000港元予本集團。於二零零六年三月三十一日，本集團結欠HCSPL之金額為25,704,000港元，該筆款項乃無抵押、免息及無固定還款期。
- (e) 年內，HCSPL就提供予本集團之若干管理服務收取管理費580,000港元，有關管理費由本集團與HCSPL釐定。
- (f) 年內，HCSPL就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付2,255,000港元。
- (g) 年內，HCSPL之全資附屬公司Huang Procurement Pte. Ltd.就本集團購買辦公室設備及辦公室用品、機器、機械零件、機油及燃料，代表本集團向本集團若干供應商支付29,283,000港元。

除上文所披露者外，概無任何其他交易須根據上市規則之規定作為關連交易予以披露。

董事於競爭業務之權益

於年內及截至本年報日期為止，董事概無於現時或可能會與本集團業務進行直接或間接競爭之業務中擁有權益(定義見上市規則)，惟本公司董事被委任作為董事以代表本公司及／或本集團利益之業務除外。

REPORT OF THE DIRECTORS 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

Ernst & Young 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

Lo Ming Chi, Charles

Chairman

Hong Kong
25 July 2006

足夠公眾持股量

按照本公司所得之公開資料及就董事所知悉，於本報告日期，公眾人士持有本公司之已發行股本總額最少25%。

核數師

安永會計師事務所任滿告退，而本公司將於應屆股東週年大會上提呈決議案重新委任其為本公司之核數師。

代表董事會

主席

勞明智

香港
二零零六年七月二十五日