

Directors' Report

董事會報告

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 35 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 22.

An interim dividend of HK\$0.03 per share amounting to HK\$24,750,000 was paid to the shareholders during the year.

The directors recommended the payment of a final dividend of HK\$0.05 per share to the shareholders on the register of members on 12 August 2005, amounting to HK\$41,250,000.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 24 to the financial statements.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 25 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$19 million for the purpose of expanding its business. In addition, the Group revalued its property, plant and equipment at 31 March 2005. Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

董事會謹此提呈截至二零零五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

本公司為一間投資控股公司。其主要附屬公司之主要業務載於財務報表附註35。

業績及分派

本集團本年度之業績載於第22頁之綜合收益表。

年內已向股東派發中期股息每股3港仙，總額24,750,000港元。

董事建議派發末期股息每股5港仙予於二零零五年八月十二日名列股東名冊之股東，總額為41,250,000港元。

股本

本公司股本之詳情載於財務報表附註24。

購股權

本公司購股權計劃之詳情載於財務報表附註25。

物業、廠房及設備

於年內本集團添置約19,000,000港元之物業、廠房及設備以擴充本集團業務。此外，本集團之物業、廠房及設備已於二零零五年三月三十一日進行重估。上述及本集團物業、廠房及設備於年內其他變動之詳情載於財務報表附註12。

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DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors

Wai Siu Kee (*Chairman*)
Poon Lai Ming
Lee Marina Man Wai
Lee Man Yan (appointed on 16 August 2004)
Lee Lai Chu (resigned on 1 November 2004)

Independent non-executive directors

Wan Chi Keung, Aaron JP
Heng Kwo Seng
Wong Kai Tung, Tony (appointed on 16 August 2004)

In accordance with Articles 86(3) and 87(1) of the Company's Articles of Association, Ms. Lee Marina Man Wai, Mr. Lee Man Yan and Mr. Wong Kai Tung, Tony retire and, being eligible, offer themselves for re-election.

The term of office of each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

Each of the executive directors has entered into a service agreement with the Company for an initial period of three years commencing 1 January 2002, except Mr. Lee Man Yan's agreement commenced on 16 August 2004, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

董事及董事之服務合約

於本年度及截至本報告日止，本公司之董事為：

執行董事

衛少琦 (主席)
潘麗明
李文慧
李文恩 (於二零零四年八月十六日獲委任)
李麗珠 (於二零零四年十一月一日辭任)

獨立非執行董事

尹志強，太平紳士
邢詒春
王啟東 (於二零零四年八月十六日獲委任)

根據本公司組織章程細則第86(3)及第87(1)條細則，李文慧女士、李文恩先生及王啟東先生均須退任，惟彼等均有資格並願意膺選連任。

獨立非執行董事之任期，將根據本公司組織章程細則之規定而輪值告退。

本公司與各執行董事已訂立為期三年之服務合約，除李文恩先生之合約由二零零四年八月十六日開始外，其餘均由二零零二年一月一日開始，合約期滿後將自動續約，除非任何一方發出不少於三個月之書面通知予以終止。

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

At 31 March 2005, the interests and short positions of directors and chief executives and their associates 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 (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept 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 (the "Model Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Wai Siu Kee 衛少琦	Discretionary object 全權受益人	617,778,000 (Note)	74.88%
Lee Man Yan 李文恩	Discretionary object 全權受益人	617,778,000 (Note)	74.88%

Note: 617,778,000 ordinary shares in the Company were held by Fortune Star Tradings Ltd. ("Fortune Star"), a company wholly-owned by Trustcorp Limited as trustee for The Fortune Star 1992 Trust, a discretionary trust that the discretionary objects of which include Ms. Wai Siu Kee and Mr. Lee Man Yan.

董事及最高行政人員於股份、相關股份及債權證中之權益及淡倉

於二零零五年三月三十一日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.1港元之普通股

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Wai Siu Kee 衛少琦	Discretionary object 全權受益人	617,778,000 (Note)	74.88%
Lee Man Yan 李文恩	Discretionary object 全權受益人	617,778,000 (Note)	74.88%

附註：本公司之617,778,000普通股份乃由一項全權信託The Fortune Star 1992 Trust之受託人Trustcorp Limited全資擁有之公司Fortune Star Tradings Ltd. (「Fortune Star」)持有，而該項信託之全權受益人包括衛少琦女士及李文恩先生。

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

董事及最高行政人員於股份、相關股份及債權證中之權益及淡倉(續)

(b) Long positions in shares of the associated corporations of the Company

(b) 於本公司相聯法團之股份好倉

Name of Director	Capacity	Name of associated company	Number of shares	Percentage of the issued shares of the associated company
董事姓名	身份	相聯法團名稱	股份數目	佔相聯法團已發行股份之百分比
Wai Siu Kee	Discretionary object	Fortune Star	1 (Note)	100%
衛少琦	全權受益人		(附註)	
Lee Man Yan	Discretionary object	Fortune Star	1 (Note)	100%
李文恩	全權受益人		(附註)	

Note: As Fortune Star owns more than 50% of the Company, Fortune Star is an associated corporation of the Company under the SFO. The entire issued share capital of Fortune Star is owned by Trustcorp Limited as trustee for The Fortune Star 1992 Trust, a discretionary trust the discretionary objects of which include Ms. Wai Siu Kee and Mr. Lee Man Yan, both of whom are directors of the Company, certain of their family members and other charitable objects.

Save as disclosed above, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

附註：由於 Fortune Star 擁有本公司 50% 以上權益，根據證券及期貨條例，Fortune Star 為本公司之相聯法團。Fortune Star 之全數已發行股本由 Trustcorp Limited 以 The Fortune Star 1992 Trust 之信託人身份持有，The Fortune Star 1992 Trust 為一項全權信託，其全權受益人包括本公司董事衛少琦女士及李文恩先生，以及彼等若干家庭成員及其他慈善團體。

除上文所披露，概無本公司董事或最高行政人員或彼等之任何聯繫人於本公司或其任何相聯法團之股份、相關股份或債權證中，擁有根據證券及期貨條例第 XV 部第 7 及 8 分部已知會本公司及聯交所、或根據證券及期貨條例第 352 條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

A share option scheme which detailed in note 25 to the financial statements was adopted by the Company on 14 December 2001, under which the directors or the chief executives or their associates of the Company may be granted options to subscribe for shares in the Company. No options were granted by the Company under the scheme since its adoption.

Other than disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow 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' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY

At 31 March 2005, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Fortune Star	Beneficial owner 實益擁有人	617,778,000	74.88%
Value Partners Limited 惠理基金管理公司	Investment manager 投資經理	63,076,000	7.65%

董事購入股份或債權證之權利

本公司於二零零一年十二月十四日採納一項購股權計劃(詳情載於財務報表附註25)，據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。自計劃採納以來，本公司並無根據計劃授出購股權。

除上文所披露外，本公司、其控股公司、或其任何附屬公司或同系集團附屬公司於本年度任何時間內，概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東於本公司股本中之權益及淡倉

於二零零五年三月三十一日，股東(本公司董事或最高行政人員除外)於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.1港元之普通股

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SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY (CONTINUED)

Save as disclosed above, as at 31 March 2005, the Company has not been notified by any persons (other than directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

CONNECTED TRANSACTIONS

Details of the discloseable connected transactions for the year are set out in note 34 to the financial statements. In the opinion of the independent non-executive directors, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparison, on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
- (iii) either (a) in accordance with the terms of the agreements; or (b) where there are no such agreements, on terms no less favourable than those available to or from independent third parties; and
- (iv) within the relevant cap amounts as agreed by the Stock Exchange.

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

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed under the heading "Connected transactions", there were no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

主要股東於本公司股本中之權益及淡倉 (續)

除上文所披露，於二零零五年三月三十一日，概無任何其他人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

關連交易

有關本年度須予披露之關連交易之詳情載於財務報表附註34。各獨立非執行董事認為，本集團進行該等交易乃：

- (i) 在本集團日常及一般業務中進行；
- (ii) 按(a)正常商業條款；或(b)當無可比較例子，其條款對本公司股東而言乃屬公平合理；
- (iii) 按(a)協議條款；或(b)當無此等協議時，不遜於給予或自獨立第三者所得之條款；及
- (iv) 所涉及金額不超過與聯交所所議定之有關最高限額。

除上文所披露外，並無任何其它交易須按上市規則之要求須予披露為關連交易。

董事於合約中之權益

除「關連交易」一段所披露外，本公司、其控股公司或其任何同系集團附屬公司或附屬公司於年終或年內任何時間概無參與訂立與本公司董事有直接或間接重大權益之重要合約。

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MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 50% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 27% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest customers of the Group.

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

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

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2005 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 31 March 2005 and they all confirmed that they have fully complied with the required standard set out in the Model Code.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

主要客戶及供應商

於年內本集團五大客戶佔本集團之總營業額約50%，而本集團之最大客戶佔本集團總營業額約27%。

本集團之五大供應商佔本集團購貨額少於30%。

概無董事、彼等之聯繫人或董事所知擁有本公司已發行股本5%以上之任何股東，擁有本集團五大客戶任何股本權益。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司之上市證券。

優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

企業管治

於截至二零零五年三月三十一日止整個年度內，本公司一直遵守上市規則附錄十四所載的最佳應用守則。

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司曾特地查詢全體董事於截至二零零五年三月三十一日止年度內有否任何不遵守標準守則的事項，全體董事皆確認彼等完全遵遁標準守則所載之規定準則。

本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函，而公司對彼等之獨立性表示認同。

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SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

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

Wai Siu Kee

Chairman

Hong Kong, 28 June 2005

足夠公眾持股量

本公司於截至二零零五年三月三十一日止整個年度內皆保持足夠公眾持股量。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

代表董事會

主席

衛少琦

香港，二零零五年六月二十八日