

# REPORT OF THE DIRECTORS

## 董事會報告



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

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries consisted of the manufacture and marketing of clocks and lighting products, the trading of metals and the provision of electroplating services. There were no significant changes in the nature of the Group's activities during the year.

### RESULTS AND DIVIDENDS

The Group's result for the year ended 31 March 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 35 to 93.

The directors do not recommend the payment of any dividend in respect of the year.

### FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 94 to 96 of the annual report. This summary does not form part of the audited financial statements.

### INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 11 and 12 to the financial statements.

董事會茲提呈本公司及本集團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計財務報表。

### 主要業務

本公司主要業務為投資控股。本公司附屬公司之主要業務包括製造並市場銷售時鐘與照明產品、金屬貿易及提供電鍍服務。本集團之業務性質在年內沒有重大改變。

### 業績及股息

本集團截至二零零五年三月三十一日止之年度業績及本公司與本集團於該日之業務狀況載於第35至93頁之財務報表內。

董事會不建議派發任何該年度股息。

### 五年財務摘要

本集團過去五個財政年度公佈之業績及資產、負債及少數股東權益概要(節錄自經審核財務報告)載於本年報之第94頁至第96頁。此概要並非構成經審核財務報告之部份。

### 投資物業及物業、廠房及設備

本集團於年內之投資物業及物業、廠房及設備之變動詳情載於財務報告附註11及12。

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options are set out in note 26 to the financial statements.

## PRE-EMPTIVE RIGHTS

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

## PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2005.

## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 27 to the financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

At 31 March 2005, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$40,481,000 may be distributed in the form of fully paid bonus shares.

## 股本及購股權

本公司之股本變動及購股權詳情載於財務報告附註26。

## 優先購股權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。

## 購入、贖回及出售本公司上市股份

本公司或其附屬公司於本年內概無購入、贖回或出售本公司之任何股份。

## 儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報告附註27及綜合權益變動表。

## 可供分派儲備

於二零零五年三月三十一日，本公司沒有可供之現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘為港幣128,013,000元，於若干情形下可供分派。此外，本公司之股份溢價結餘為港幣40,481,000元，可作已繳足紅股形式分派。

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 41.9% of the total sales for the year and sales to the largest customer included therein amounted to 17.5%. Purchases from the Group's five largest suppliers accounted for 34.4% of the total purchases for the year and purchases from the largest supplier included therein amounted to 22.9%.

As far as the directors are aware, neither the directors, their associates, nor 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 and suppliers.

## DIRECTORS

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

### Executive directors:

Mr. LIANG Jin You  
 Ms. LI Kwo Yuk  
 Mr. LEUNG Kin Yau  
 Mr. OU Jian Sheng  
 Mr. DENG Ju Neng  
 Mr. LIN Dong Hong (appointed on 10 May 2004)

### Independent non-executive directors:

Mr. LO Ming Chi, Charles  
 Mr. LO Wah Wai (re-designated as an independent non-executive director on 30 September 2004)  
 Mr. ORR, Joseph Wai Shing (appointed on 30 September 2004)  
 Mr. CHEUNG Doi Shu (resigned on 30 September 2004)

In accordance with articles 86(2) and 87 of the Company's bye-laws, Mr. LEUNG Kin Yau, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## 主要客戶及供應商

於回顧年度內，本集團五大客戶之銷售佔全年總銷售額41.9%，及最大客戶佔之銷售包括在內佔17.5%。本集團五大供應商佔年內之總採購額34.4%，及最大供應商之採購額包括在內佔22.9%。

就董事會所知，擁有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東概無持有本集團五大客戶及供應商之任何實益。

## 董事會

本公司董事會在本年度及至本報告日期為如下：

### 執行董事：

梁金友先生  
 李戈玉女士  
 梁健友先生  
 歐健生先生  
 鄧巨能先生  
 林東宏先生 (於二零零四年五月十日獲委任)

### 獨立非執行董事：

勞明智先生  
 盧華威先生 (於二零零四年九月三十日被調任為獨立非執行董事)  
 柯偉聲先生 (於二零零四年九月三十日獲委任)  
 張岱樞先生 (於二零零四年九月三十日辭任)

按照本公司之公司細則第86(2)及87條規定，梁健友先生、盧華威先生及柯偉聲先生將於即將舉行的股東週年大會上輪席退任，及符合資格並願意重選連任。

## **BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT**

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 17 to 22 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 other than statutory compensation.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the year.

## **董事及高級管理人員簡歷**

本公司董事及本集團高級管理人員簡歷詳情載於本年報第17至22頁。

## **董事服務合約**

本公司並無與擬於即將舉行之股東週年大會上膺選連任之董事訂立任何不可於一年內由本公司無償終止(法定補償除外)之合約。

## **董事之合約權益**

各董事在本公司或其任何附屬公司於本年度內任何時間，概無參與訂立與本集團業務有關連之重大合約，亦無擁有任何直接或間接之實質利益。

## DIRECTORS' INTERESTS IN SHARES

As at 31 March 2005, the interests of the directors of the Company in the 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 kept by the Company pursuant to section 352 of the SFO or 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 Companies were as follows:

### Long positions

Ordinary shares of HK\$0.10 each of the Company

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
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
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note 1) 控制公司持有(附註1)	119,184,300	45.41%
Mr. LIN Dong Hong 林東宏先生	Held by controlled corporation (note 2) 控制公司持有(附註2)	11,193,140	4.26%

#### Notes:

- 119,184,300 shares are owned by Golden Glory Group Limited ("GG"), a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.
- 11,193,140 shares are owned by Grand Castle Holdings Limited ("GC"), a company incorporated in the British Virgin Islands. The entire issued share capital of GC is 100% beneficially owned by Mr. LIN Dong Hong.

## 董事股份權益

於二零零五年三月三十一日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條而設立之名冊所記錄，董事於本公司或其他相聯法團（具有證券及期貨條例第XV部的涵義）之股份及購股權權益；或根據上市公司董事證券交易的標準守則而須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

### 好倉

本公司每股面值港幣0.10元之普通股

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
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
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note 1) 控制公司持有(附註1)	119,184,300	45.41%
Mr. LIN Dong Hong 林東宏先生	Held by controlled corporation (note 2) 控制公司持有(附註2)	11,193,140	4.26%

#### 附註：

- 119,184,300股股份由Golden Glory Group Limited（「GG」）擁有。GG 為於英屬處女群島註冊成立之公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。
- 11,193,140股股份由Grand Castle Holdings Limited（「GC」）擁有。GC 為於英屬處女群島註冊成立之公司，GC之全部已發行股本由林東宏先生實益擁有。

## **DIRECTORS' INTERESTS IN SHARES** *(CONTINUED)*

Save as disclosed above, none of the other directors, chief executives or their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2005.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as under note 26 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 children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## **SHARE OPTION SCHEME**

Particulars of the Company's share option scheme are set out in note 26 to the financial statements.

## **董事股份權益 (續)**

除上文披露外，於二零零五年三月三十一日，概無其他董事、主要行政人員或彼等之聯繫人士擁有本公司或其相聯法團(具有證券及期貨條例第XV部的涵義)的任何股份、相關股份或債券的任何權益或淡倉。

## **董事購買股份或債券權利**

除財務報告附註26所披露外，於本年內任何時間，並無任何董事、彼等之配偶或十八歲以下子女有任何認購本公司股份或債券，或已行使該等權利而獲益；或本公司及其附屬公司概無任何安排，以致本公司董事可藉購入其他法人團體之股份或債務而獲益。

## **購股權計劃**

有關本公司之購股權計劃詳細披露載於財務報告附註26。

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

### Long positions

Ordinary shares of HK\$0.10 each of the Company

Shareholders	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東	身份		
Golden Glory Group Limited	Beneficial owner 實益擁有人	119,184,300	45.41%
General Line International (Holdings) Limited 廣橋國際(控股)有限公司	Held by controlled corporation (Note) 控制公司持有(附註)	119,184,300	45.41%
Mr. LI Feng Saio 李豐韶先生	Beneficial owner 實益擁有人	22,841,600	8.70%
Ms. CHIA Kok Chi Annie 謝國姿女士	Beneficial owner 實益擁有人	19,750,000	7.52%

Note: 119,184,300 shares are owned by GG, a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 31 March 2005.

## 主要股東

於二零零五年三月三十一日，本公司根據證券及期貨條例第336條而設立之主要股東名冊顯示，除上文披露有關若干董事及主要行政人員之權益外，下列股東向本公司知會於本公司已發行股本之有關權益。

### 好倉

本公司每股面值港幣0.10元之普通股

Shareholders	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東	身份		
Golden Glory Group Limited	Beneficial owner 實益擁有人	119,184,300	45.41%
General Line International (Holdings) Limited 廣橋國際(控股)有限公司	Held by controlled corporation (Note) 控制公司持有(附註)	119,184,300	45.41%
Mr. LI Feng Saio 李豐韶先生	Beneficial owner 實益擁有人	22,841,600	8.70%
Ms. CHIA Kok Chi Annie 謝國姿女士	Beneficial owner 實益擁有人	19,750,000	7.52%

附註：119,184,300股股份由Golden Glory Group Limited (「GG」) 擁有。GG 為於英屬處女群島註冊成立之有限公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

除上文披露外，本公司概無獲悉任何於二零零五年三月三十一日本公司已發行股本其他權益或淡倉。

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Rules governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), during the year and up to the date of this report.

## CONNECTED TRANSACTIONS

On 8 September 2004, the Company entered into the sale and purchase agreement with Ms. Li Kwo Yuk ("Ms. Li"), a director of the Company, for the disposal of the entire interests in German Time Limited and Smart Best Development Limited, which are indirect wholly-owned subsidiaries of the Company, at a consideration of HK\$22,000,000.

Details of the disposal were disclosed in the Company's announcement dated 16 September 2004 and the Company's circular dated 2 October 2004 which had been dispatched to shareholders of the Company.

## CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended 31 March 2005 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, except that the independent non-executive directors of the Company have not been appointed for specific terms as required by paragraph 7 of the Code but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the Company's bye-laws.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2005.

## 董事在競爭業務之權益

於年內及截至本年報之日期，根據聯交所證券上市規則（「上市規則」），董事並無在一項業務中不論直接或間接佔有權益，而該項業務跟本集團本身業務相互競爭。

## 關連交易

於二零零四年九月八日，本公司與本公司董事李戈玉女士（「李女士」）簽訂了買賣協議，以出售本公司非直接全資擁有之附屬公司德國時計有限公司及俊富發展有限公司，並代價為港幣22,000,000元。

該出售詳情已於本公司日期為二零零四年九月十六日之公告及本公司日期為二零零四年十月二日之通函內披露，並已派發給本公司股東。

## 企業管治

董事會認為，本公司於截至二零零五年三月三十一日止年度內已遵守香港聯會交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四之最佳應用守則（「守則」），惟本公司獨立非執行董事並無按照守則第七段要求而指定任期，但仍按照本公司的公司細則規定於本公司股東週年大會上輪席退任及重選。

本公司已採納上市規則附錄十之董事進行證券交易的標準守則（「標準守則」）。本公司所有董事已確認，並根據本公司明確要求，彼等已於截至二零零五年三月三十一日止年度內遵守標準守則內的要求水平。



## AUDIT COMMITTEE

The Company has set up an audit committee (the “Audit Committee”). The Audit Committee meets regularly with senior management to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The members of the Audit Committee are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing, who are independent non-executive directors of the Company.

## REMUNERATION COMMITTEE

The Company has set up a remuneration committee (the “Remuneration Committee”). The Remuneration Committee comprises three independent non-executive directors, Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing. Mr. LO Ming Chi, Charles is the chairman of the Remuneration Committee. The Remuneration Committee has adopted terms of reference which are in line with the Code on Corporate Governance Practices issued by the Stock Exchange. The Remuneration Committee will meet at least once a year to review the remuneration policy and remuneration packages of the executive directors and members of the senior management.

## PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the directors of the Company, over 25% of the issued share capital of the Company was held by the public as required under the Listing Rules.

## 審核委員會

本公司已成立一個審核委員會（「審核委員會」）。審核委員會定期與高級管理人員會面以省覽本集團採用之會計準則及常規，及討論審計、內部管理及財務申報事宜。審核委員會成員為勞明智先生、盧華威先生及柯偉聲先生，彼等均為本公司獨立非執行董事。

## 薪酬委員會

本公司已成立一個薪酬委員會（「薪酬委員會」）。薪酬委員會由三位獨立非執行董事組成，包括勞明智先生、盧華威先生及柯偉聲先生。盧明智先生為薪酬委員會主席。薪酬委員會採納了職權範圍，而該職權範圍符合聯交所發出的企業管治常規守則規定。薪酬委員會將會最少一年舉行一次會議，以省覽執行董事及高級管理人員的薪酬政策及薪酬計劃。

## 公眾持股量

按本公司之公開資料及就本公司董事會所知，本公司已應上市規則要求有超過25%之已發行股本由公眾持有。

## AUDITORS

Except for the year ended 31 March 2003, in which Ernst & Young acted as auditors of the Company, KLL Associates CPA Limited has acted as auditors of the Company for the past three years.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint KLL Associates CPA Limited as auditors of the Company.

On Behalf of the Board

**LIANG Jin You**

*Chairman*

Hong Kong, 21 July 2005

## 核數師

除截至二零零三年三月三十一日止之年度由Ernst & Young擔任本公司核數師外，華融會計師事務所有限公司已在過去三年擔任本公司核數師。

決議案將提呈於即將舉行之股東週年大會上，續聘華融會計師事務所有限公司為本公司核數師。

承董事會命

**梁金友**

*主席*

香港，二零零五年七月二十一日