

Directors' Report

董事會報告

The directors present their annual report and the audited financial statements for the nine months ended 31 December 2005.

CHANGE OF FINANCIAL YEAR END DATE

During the period, the Company changed its financial year end date from 31 March to 31 December because the directors determined to bring the balance sheet date in line with that of the subsidiaries established in the People's Republic of China, other than Hong Kong. The financial statements presented therefore cover the period of nine months from 1 April 2005 to 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 31 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the period ended 31 December 2005 are set out in the consolidated income statement on page 27.

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

The directors now recommend the payment of a final dividend of HK\$0.023 per share to the shareholders on the register of members on 2 June 2006, amounting to HK\$18,975,000, and the retention of the remaining profit for the period of HK\$43,572,000.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 23 to the financial statements.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 24 to the financial statements.

董事會謹此提呈截至2005年12月31日止9個月之董事會報告及經審核財務報表。

更改財政年度結算日

期內，由於董事決定將結算日更改至與在中國（香港除外）設立之附屬公司之結算日一致，本公司將財政年度結算日由3月31日更改至12月31日。因此，本財務報表只涵蓋由2005年4月1日至2005年12月31日期間之9個月。

主要業務

本公司為一間投資控股公司。其主要附屬公司之業務載於財務報表附註31。

業績及分派

本集團於截至2005年12月31日止期間之業績載於第27頁之綜合收益表。

期內已向股東派發中期股息每股3.0港仙，總額24,750,000港元。

董事建議派發末期股息每股2.3港仙予於2006年6月2日名列股東名冊之股東，總額為18,975,000港元，期內保留溢利之保留額為43,572,000港元。

股本

本公司股本之詳情載於財務報表附註23。

購股權

本公司購股權計劃之詳情載於財務報表附註24。

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PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment were revalued at 31 December 2005. The revaluation resulted in a surplus over book values amounting to HK\$2,350,000, which has been credited directly to the properties revaluation reserve.

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$6,903,000 for the purpose of expanding its business. Details of these and other movements in the property, plant and equipment of the Group during the period are set out in note 15 to the financial statements.

DIRECTORS

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

Executive directors

Ms. Wai Siu Kee (*Chairman*)
Ms. Poon Lai Ming
Ms. Lee Marina Man Wai
Mr. Lee Man Yan

Independent non-executive directors

Mr. Wan Chi Keung, Aaron JP
Mr. Heng Kwoong Seng
Mr. Wong Kai Tung, Tony

In accordance with Article 87(1) of the Company's Articles of Association, Ms. Poon Lai Ming and Mr. Wan Chi Keung, Aaron JP retire by rotation 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.

DIRECTORS' SERVICE CONTRACTS

Ms. Wai Siu Kee, Ms. Lee Marina Man Wai and Ms. Poon Lai Ming have entered into service agreements with the Company on 1 September 2005 for 3 years unless and until terminated by either party by three months' prior written notice.

物業、廠房及設備

本集團之物業、廠房及設備已於2005年12月31日進行重估。因重估產生超出賬面值之盈餘共2,350,000港元已直接計入資產重估儲備中。

期內本集團添置約6,903,000港元之物業、廠房及設備以擴充本集團業務。上述及本集團物業、廠房及設備於期內其他變動之詳情載於財務報表附註15。

董事

於本期間及截至本報告日止，本公司之董事為：

執行董事：

衛少琦女士 (*主席*)
潘麗明女士
李文慧女士
李文恩先生

獨立非執行董事：

尹志強先生 *太平紳士*
邢詒春先生
王啟東先生

根據本公司組織章程細則第87(1)條細則，潘麗明女士及尹志強先生 *太平紳士* 均須告退，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。

董事之服務合約

衛少琦女士、李文慧女士及潘麗明女士已於2005年9月1日與本公司訂立為期3年之服務協議，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

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DIRECTORS' SERVICE CONTRACTS (CONTINUED)

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 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 Future Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 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
Ms. Wai Siu Kee 衛少琦女士	Discretionary object 全權受益人	617,778,000 (Note) (附註)	74.88%
Mr. Lee Man Yan 李文恩先生	Discretionary object 全權受益人	617,778,000 (Note) (附註)	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.

董事之服務合約(續)

李文恩先生已與本公司訂立服務協議，年期由2004年8月16日起計初步為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

董事於股份、相關股份及債權證中之權益

於2005年12月31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
Ms. Wai Siu Kee 衛少琦女士	Discretionary object 全權受益人	617,778,000 (Note) (附註)	74.88%
Mr. Lee Man Yan 李文恩先生	Discretionary object 全權受益人	617,778,000 (Note) (附註)	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' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事於股份、相關股份及債權證中之權益 (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 issued ordinary shares held	Percentage of the issued shares of the associated company
董事姓名	身份	相聯法團名稱	所持已發行普通股數目	佔相聯法團已發行股份之百分比
Ms. Wai Siu Kee 衛少琦女士	Discretionary object 全權受益人	Fortune Star	100 (Note) (附註)	100%
Mr. Lee Man Yan 李文恩先生	Discretionary object 全權受益人	Fortune Star	100 (Note) (附註)	100%

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.

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。

Other than 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.

除上文所披露，概無本公司董事或最高行政人員或彼等之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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ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

A share option scheme which detailed in note 24 to the financial statements was adopted by the Company on 14 December 2001, under which the directors or the chief executives of the Company or their associates 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 period was the Company, its holding company, or any of its subsidiaries and 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

At 31 December 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 (Note) 投資經理(附註)	66,898,000	8.11%

Note: Mr. Cheah Cheng Hye is deemed to be interested in 66,898,000 ordinary shares of the Company as he beneficially owns 32.77% of Value Partners Limited.

購買股份或債券之安排

本公司於2001年12月14日採納一項購股權計劃(詳情載於財務報表附註24)，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期間任何時間內，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2005年12月31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

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股數目	佔本公司已發行股本之百分比
617,778,000	74.88%
66,898,000	8.11%

附註：謝清海先生由於彼實益擁有惠理基金管理公司之32.77%權益而被視為擁有本公司66,898,000股普通股份之權益。

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SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Long positions (Continued)

Other than disclosed above, as at 31 December 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 period are set out in note 29 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.

主要股東(續)

好倉(續)

除上文所披露，於2005年12月31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

有關本期間須予披露之關連交易之詳情載於財務報表附註29。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) 所涉及金額不超逾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。

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DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected transactions", no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and 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 period or at any time during the period.

MAJOR CUSTOMERS AND SUPPLIERS

During the period, the aggregate sales attributable to the Group's five largest customers comprised approximately 58% 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 period 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 period, 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.

董事於重大合約中之權益

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於期終或期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。

主要客戶及供應商

期內本集團五大客戶之累計銷貨佔本集團之總營業額約58%，而本集團最大客戶之銷貨佔本集團總營業額約27%。

期內本集團五大供應商之累計購貨佔本集團總購貨額少於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期內概無購買、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。

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APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee 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 are set out in note 24 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the period from 1 April 2005 to 31 December 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, 10 April 2006

委任獨立非執行董事

根據上市規則第3.13條之指引，每名獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

酬金政策

本集團僱員之酬金政策由薪酬委員會設立，乃按僱員之功績、專業資格及才能而釐定。

本公司董事之酬金由薪酬委員會按本公司之經營業績、其個人之工作表現及相對之市場狀況而釐定。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，計劃詳情載於財報表附註24。

足夠公眾持股量

本公司於2005年4月1日至2005年12月31日整個期間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，2006年4月10日