

董事會報告書 Report of the Directors

董事會呈報截至二零零六年三月三十一日止年度之週年報告及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要聯營公司及附屬公司之主要業務分別載列於綜合財務報表附註21及46。

業績及盈利分配

本集團截至二零零六年三月三十一日止年度之業績載列於第46頁之綜合損益表。

每股普通股2.0港仙之中期股息共23,952,000港元已於本年內派發予股東。董事會建議派發末期股息每股普通股3.0港仙，共約35,928,000港元予名列於二零零六年九月二十九日(星期五)之股東名冊上之股東，而本年度之保留溢利為約89,611,000港元。

主要客戶及供應商

截至二零零六年三月三十一日止年度：

- (i) 本集團之最大及前五大客戶分別佔本集團之總收入約34%及80%。
- (ii) 本集團之最大及前五大供應商分別佔本集團之總採購額(並不包括資本性質之採購項目)約13%及42%。

據董事會了解，本公司之董事、其聯繫人士及任何擁有超過本公司5%股本之股東並無持有前五大客戶及前五大供應商之任何權益。

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal associates and subsidiaries are set out in notes 21 and 46 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 46.

An interim dividend of HK2.0 cents per ordinary share amounting to HK\$23,952,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK3.0 cents per ordinary share to the shareholders on the register of members on Friday, 29th September, 2006, amounting to approximately HK\$35,928,000, and the retention of the remaining profit for the year of HK\$89,611,000.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2006:

- (i) The Group's largest customer and five largest customers accounted for approximately 34% and 80%, respectively of the Group's total revenue.
- (ii) The Group's largest supplier and five largest suppliers accounted for approximately 13% and 42%, respectively, of the Group's total purchases (not including purchases of items which are of capital nature).

According to the understanding of the directors, none of the directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers nor the five largest suppliers.

董事會報告書（續）**Report of the Directors (Cont'd)****物業、廠房及設備**

於本年內，本集團添置之物業裝修、傢具裝置及設備、廠房及機器、工具及工模、汽車及在建工程分別為約5,000,000港元、5,000,000港元、12,000,000港元、10,000,000港元、1,000,000港元及4,000,000港元。

該等詳情及本集團於本年內之物業、廠房及設備之其他變動情況載列於本綜合財務報表附註18。

股本

本公司股本之變動詳情載列於綜合財務報表附註37。

於本年內，本公司經香港聯合交易所有限公司購回本公司之股份詳列於綜合財務報表附註37。各董事相信由於本公司之股份以每股資產淨值之折讓價交易，有關購回可提高本公司股份之每股資產淨值。

董事及董事服務合約

於本年內及直至本報告書日期，本公司之董事如下：

執行董事：

譚偉豪 太平紳士 (主席)
譚偉棠 (董事總經理)
譚梅嘉慧
大谷和廣
李冠雄
霍定洋

非執行董事：

羅志聰

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired leasehold improvements of approximately HK\$5 million, furniture, fixtures and equipment of approximately HK\$5 million, plant and machinery of approximately HK\$12 million, toolings and moulds of approximately HK\$10 million, motor vehicles of approximately HK\$1 million and construction in progress of approximately HK\$4 million.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 37 to the consolidated financial statements.

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 37 to the consolidated financial statements. The directors considered that, as the Company's share 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.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

Tam Wai Ho, Samson JP (*Chairman*)
Tam Wai Tong, Thomas (*Managing Director*)
Tam Mui Ka Wai, Vivian
Kazuhiro Otani
Lee Koon Hung
Fok Ting Yeung, James

Non-executive director:

Lo Chi Chung, William

董事會報告書(續)

Report of the Directors (Cont'd)

董事及董事服務合約(續)

獨立非執行董事：

容永祺榮譽勳章

何國成

王幹文

根據本公司之公司細則第87條，譚偉豪博士太平紳士、譚偉棠先生、大谷和廣先生、霍定洋博士及羅志聰先生均須退任，彼等各人均合資格並願膺選連任。

所有非執行董事之任期均不多於一年。

於即將舉行之股東週年大會獲建議連任之董事均無訂有任何本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

獨立非執行董事

本公司已收到各獨立非執行董事包括容永祺先生榮譽勳章、何國成先生及王幹文先生根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條就其獨立性而作出的年度確認函，並視有關獨立非執行董事為獨立人士。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

Independent non-executive directors:

Yung Wing Ki, Samuel MH

Ho Kwok Shing, Harris

Wong Kon Man, Jason

In accordance with Bye-law 87 of the Company's Bye-laws, Dr. Tam Wai Ho, Samson JP, Mr. Tam Wai Tong, Thomas, Mr. Kazuhiro Otani, Dr. Fok Ting Yeung, James and Mr. Lo Chi Chung, William retire and, being eligible, offer themselves for re-election.

All non-executive directors have been appointed for a term of no more than one year.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive directors, namely Mr. Yung Wing Ki, Samuel MH, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason, an annual confirmation of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers the independent non-executive directors to be independent.

董事會報告書(續)

Report of the Directors (Cont'd)

董事擁有之證券權益

於二零零六年三月三十一日，根據證券及期貨條例第352條所述之登記冊所載，或根據上市規則附錄10所載董事進行證券交易之標準守則(「標準守則」)向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2006, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

董事姓名 Name of director	權益性質 Nature of interests	所持普通股股份數目(好倉) Number of ordinary shares held (long position)				佔已發行股本 之百分比 % of issued share capital	
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests	總額 Total		
譚偉豪太平紳士 Tam Wai Ho, Samson JP	附註1及2 Notes 1 & 2	26,000,000	-	537,877,118	563,877,118		47.08
譚偉棠 Tam Wai Tong, Thomas	附註1及2 Notes 1 & 2	29,000,000	-	537,877,118	566,877,118		47.33
譚梅嘉慧 Tam Mui Ka Wai, Vivian	附註1 Note 1	2,300,000	-	537,877,118	540,177,118		45.10
大谷和廣 Kazuhiro Otani		2,000,000	-	-	2,000,000		0.17
李冠雄 Lee Koon Hung		1,676,000	550,000	-	2,226,000		0.19
羅志聰 Lo Chi Chung, William		3,000,000	-	-	3,000,000		0.25

附註：

Notes:

- 此等537,877,118股股份均以Earmill Holdings Limited之名義登記，該公司由The Samson 1992 Trust及The Thomas 1992 Trust按相同比例最終實益擁有。The Samson 1992 Trust為一項全權代管信託，其全權代管受益人包括譚偉豪博士太平紳士及配偶譚梅嘉慧女士。The Thomas 1992 Trust為一項全權代管信託，其全權代管受益人包括譚偉棠先生及配偶譚吳麗婉女士。譚偉豪博士太平紳士、譚梅嘉慧女士及譚偉棠先生均為Earmill Holdings Limited之董事。
 - 以上包括由譚偉豪博士太平紳士及譚偉棠先生共同持有的20,000,000股股份。
- The 537,877,118 shares are registered in the name of Earmill Holdings Limited, a company ultimately beneficially owned by The Samson 1992 Trust and The Thomas 1992 Trust in equal shares. The Samson 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Dr. Tam Wai Ho, Samson JP and Mrs. Tam Mui Ka Wai, Vivian (spouse of Dr. Tam Wai Ho, Samson JP). The Thomas 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Tong, Thomas and Mrs. Tam Ng Lai Yuen, Jocelyn (spouse of Mr. Tam Wai Tong, Thomas). Dr. Tam Wai Ho, Samson JP, Mrs. Tam Mui Ka Wai, Vivian and Mr. Tam Wai Tong, Thomas, being Directors, are directors of Earmill Holdings Limited.
 - Included above is the 20,000,000 shares which are jointly owned by Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas.

董事會報告書(續)

Report of the Directors (Cont'd)

董事擁有之證券權益(續)

各董事及彼等聯繫人士擁有本公司之優先認股權權益載列於董事會報告書「優先認股權」內。

除上文所披露者外，於二零零六年三月三十一日，各董事或彼等之聯繫人士概無在本公司或各任何聯繫公司(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

優先認股權

本公司及其附屬公司之優先認股權計劃載列於綜合財務報表附註38。

本公司之優先認股權於本年內之變動披露如下：

DIRECTORS' INTERESTS IN SECURITIES (Continued)

The interests of the Directors and their associates in the share options granted by the Company are set out in the section "Share Options" in the Report of the Directors.

Save as disclosed above, at 31st March, 2006, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

SHARE OPTIONS

Particulars of the Company's and its subsidiary's share option schemes are set out in note 38 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	優先認股權 授出日期 Option grant date	於年度開始時 尚未行使 Outstanding at beginning of the year	年內授出 Granted during the year	年內註銷 Cancelled during the year	年內行使 Exercised during the year	於年度終結時 尚未行使 Outstanding at end of the year
董事						
Directors						
譚偉豪 太平紳士 Tam Wai Ho, Samson JP	19.4.2004	900,000	-	-	-	900,000
譚偉棠 Tam Wai Tong, Thomas	19.4.2004	900,000	-	-	-	900,000
譚梅嘉慧 Tam Mui Ka Wai, Vivian	19.4.2004	400,000	-	-	-	400,000
大谷和廣 Kazuhiro Otani	19.4.2004 3.6.2005	900,000 -	- 800,000	- -	- -	900,000 800,000
李冠雄 (附註) Lee Koon Hung (Note)	19.4.2004 3.6.2005	1,400,000 -	- 1,300,000	- -	- -	1,400,000 1,300,000
霍定洋 Fok Ting Yeung, James	12.8.2002 24.3.2003 19.4.2004 3.6.2005	400,000 400,000 400,000 -	- - - 400,000	- - - -	- - - -	400,000 400,000 400,000 400,000
總數(董事) Total (Directors)		5,700,000	2,500,000	-	-	8,200,000
僱員						
Employees						
	12.8.2002 24.3.2003 19.4.2004 3.6.2005	30,000 136,000 5,179,000 -	- - - 6,290,000	- - (534,000) (328,000)	- (40,000) - -	30,000 96,000 4,645,000 5,962,000
總數(僱員) Total (Employees)		5,345,000	6,290,000	(862,000)	(40,000)	10,733,000
總計 Grand Total		11,045,000	8,790,000	(862,000)	(40,000)	18,933,000

董事會報告書(續)

Report of the Directors (Cont'd)

優先認股權(續)

每類優先認股權的詳情載列如下：

SHARE OPTIONS (Continued)

Details of specific categories of options are as follows:

授出日期 Date of grant	歸屬期 Vesting period	行使期 Exercise period	行使價 Exercise price 港元 HK\$
12.8.2002	12.8.2002 – 16.6.2003	17.6.2003 – 16.6.2008	0.250
24.3.2003	24.3.2003 – 19.1.2004	20.1.2004 – 19.1.2009	0.202
19.4.2004	19.4.2004 – 19.1.2005	20.1.2005 – 19.1.2010	0.950
3.6.2005	26.4.2005 – 25.4.2006	26.4.2006 – 25.4.2009	0.606

附註：李冠雄先生之配偶為本公司之僱員，並獲授予本公司之優先認股權。於二零零六年三月三十一日，李冠雄先生之太太的1,000,000優先認股權已包括在上列李冠雄先生之優先認股權權益內。

Note: The wife of Mr. Lee Koon Hung, who is also an employee of the Company, was granted options of the Company. At 31st March, 2006, 1,000,000 options of Mrs. Lee were included under the interests in options of Mr. Lee Koon Hung set out above.

本公司股份在緊接優先認股權授出日期(即二零零五年六月三日)之前的收市價為0.61港元。本公司股份在緊接優先認股權行使日前之加權平均股份收市價為0.57港元。

The closing price of the Company's shares immediately before the date of grant on 3rd June, 2005 was HK\$0.61. The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised were HK\$0.57.

於截至二零零六年三月三十一日止年度內授出行使價為0.606港元之優先認股權之公平值估計為0.138港元。以下乃以二項式優先認股權定價模式計算公平值時所採用之假定：

The fair value of an option on one share of the Company granted during the year ended 31st March, 2006 with exercise price per share of HK\$0.606 is estimated at HK\$0.138. The following significant assumptions were used to derive the fair value, using the Binomial option pricing model:

預計已授出的優先認股權年限(年) Estimated expected life of options granted (years)	3.44
根據過往股價波幅計算之預計波幅 Expected volatility based on historical share price movement	39.35%
香港外匯基金債券息率 Hong Kong Exchange Fund Notes Rate	3.23%
根據過去十二個月派發的股息預計每年股息收益率 Expected annual dividend yield based on dividend payments in the last 12 months	6.56%
被收回之優先認股權之調整 Risk-of-forfeiture adjustment	7.71%

董事會報告書(續)

Report of the Directors (Cont'd)

優先認股權(續)

二項式優先認股權定價模式要求採用之假定，包括股價波動及股息回報率。由於此假定在變動時可以對公平值之估算構成重大影響，故董事會認為優先認股權實際價值或會與優先認股權公平值不同。

在綜合損益表內就本年度授出之優先認股權價值而確認之開支為約1,085,000港元(二零零五年：無)。

董事購入股份或債券之權利

除上文所披露者外，本公司或各任何附屬公司於本年內任何時間概無作出任何安排，致令本公司董事可藉購入本公司或其他法人團體之股份或債券而獲益。

董事於合約之重大權益

於本年內，本集團向精輝企業有限公司採購電子零部件數額約4,000,000港元，譚偉棠先生在二零零五年十月三十一日之前在該公司擁有實益權益。

於上述交易中並沒佔有權益之獨立非執行董事認為，該等交易乃按本集團之一般商業條款及日常業務進行。

除上文所披露者外，本公司各董事於本公司或各任何附屬公司於本年度年終結或於本年內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

SHARE OPTIONS (Continued)

The Binomial option pricing model requires the input of assumptions, including the volatility of share price and dividend yield. Because changes in assumptions can materially affect the fair value estimated, in the Directors' opinion, the options' actual value may differ from the estimated fair value of the options due to limitations of the existing model.

Approximately HK\$1,085,000 (2005: Nil) is recognized in the consolidated income statement in respect of the value of options granted during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group purchased electronic components amounting to approximately HK\$4 million from Genfield Enterprises Limited, a company in which Mr. Tam Wai Tong, Thomas, has beneficial interests before 31st October, 2005.

In the opinion of the independent non-executive directors who do not have any interest in the above transactions, the transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

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

董事會報告書(續)

Report of the Directors (Cont'd)

主要股東

按遵照證券及期貨條例第336條而設立之主要股東名冊所載，於二零零六年三月三十一日，除上文披露有關若干董事之權益外，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2006, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued capital of the Company:

股東名稱 Name of shareholder	所持普通股股份數目(好倉) Number of ordinary shares held (Long Position)	佔已發行股本之百分比 % of issued share capital
Earnmill Holdings Limited	537,877,118 (附註一)(Note 1)	44.91
惠理基金管理公司 Value Partners Limited	95,898,000 (附註二)(Note 2)	8.01
謝清海 Cheah Cheng Hye	95,898,000 (附註二)(Note 2)	8.01

附註：

1. 該等股權與上文「董事擁有之證券權益」所披露者相同。
2. 惠理基金管理公司作為投資經理，現時擁有95,898,000股股份。謝清海先生透過在惠理基金管理公司32.77%之權益而被視作擁有該等股份權益。

Notes:

1. The shareholding is also included in the "Directors' Interests in Securities" disclosed above.
2. Value Partners Limited is holding the 95,898,000 shares as an investment manager. Mr. Cheah Cheng Hye is deemed to be interested in such shares through his 32.77% interest in Value Partners Limited.

除上文所披露者外，於二零零六年三月三十一日，概無任何人士曾知會本公司擁有根據證券及期貨條例須向本公司披露的股份或相關股份之權益或淡倉。

Save as disclosed above, at 31st March, 2006, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO.

董事會報告書(續)

Report of the Directors (Cont'd)

優先購買權

本公司之公司細則或百慕達法例並無載有任何優先購買權之規定，要求本公司按比例向現有股東配售新股。

公眾持股量

根據本公司以公開途徑取得的資料及據本公司董事所知，截至二零零六年三月三十一日止年度內，本公司一直維持上市規則所訂明的公眾持股量。

董事進行證券交易之標準守則

本公司已採納標準守則作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至二零零六年三月三十一日止財政年度內所有董事已遵守標準守則之要求。

審核委員會

審核委員會成員包括獨立非執行董事容永祺先生榮譽勳章(審核委員會主席)、何國成先生、王幹文先生及非執行董事羅志聰先生。

於是年內，審核委員會已舉行四次會議，出席率達93.75%，檢討本集團所採納的會計原則及政策，內部監控系統及財務匯報事宜。審核委員會已審閱截至二零零六年三月三十一日止年度經審核之綜合財務報表。

PRE-EMPTIVE RIGHTS

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

PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Company's directors throughout the year ended 31st March, 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the financial year ended 31st March, 2006.

AUDIT COMMITTEE

The Audit Committee comprises independent non-executive directors, Mr. Yung Wing Ki, Samuel MH (Chairman of the Audit Committee), Mr. Ho Kwok Shing, Harris, and Mr. Wong Kon Man, Jason and a non-executive director, Mr. Lo Chi Chung, William.

During the year, the Audit Committee has held four meetings with 93.75% attendance to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31st March, 2006.

董事會報告書（續）**Report of the Directors (Cont'd)****核數師**

續聘德勤•關黃陳方會計師行為核數師之決議案將於本公司之股東週年大會上提呈。

AUDITORS

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

承董事會命

譚偉棠

董事總經理

On behalf of the Board

Tam Wai Tong, Thomas

Managing Director

香港

二零零六年七月十七日

Hong Kong

17th July, 2006