

DIRECTORS' REPORT

董事會報告書

The directors of the Company (the "Directors") have pleasure in submitting their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal subsidiaries of the Company are set out in Note 16 to the financial statements.

SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to results by business segments for the year ended 31 March 2006 is set out in Note 5 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the largest customer and the next four largest customers accounted for 24.8% (2005: 16%) and 57.3% (2005: 49%) of the Group's total turnover respectively for the year.

Purchases from the largest supplier and the next four largest suppliers accounted for 37% (2005: 45%) and 63% (2005: 51%) of the Group's total purchases respectively for the year.

As at 31 March 2006, none of the Directors, their associates, or any shareholders of the Company which to the knowledge of the Directors owns more than 5% of the Company's issued share capital had beneficial interests in any of the Group's five largest customers or five largest suppliers as mentioned in the preceding paragraphs.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 March 2006 and the state of the Group's and the Company's affairs as at that date are set out in the financial statements on pages 36 to 42.

The Board does not recommend payment of final dividend for the year ended 31 March 2006 (2005: HK\$Nil).

RESERVES

Movements in reserves of the Group and the Company during the year are set out in Note 28 to the financial statements.

本公司董事（「董事」）欣然提呈董事會報告書，連同本公司及其附屬公司（「本集團」）截至二零零六年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本公司各主要附屬公司詳情載於財務報表附註16。

分類資料

截至二零零六年三月三十一日止年度，本集團業務分類對營業額及業績之貢獻分析載於財務報表附註5。

主要客戶及供應商

年內，向最大及其餘四大客戶之銷售額分別佔本集團總營業額24.8%（二零零五年：16%）及57.3%（二零零五年：49%）。

年內，最大及其餘四大供應商之採購額分別佔本集團總採購額37%（二零零五年：45%）及63%（二零零五年：51%）。

於二零零六年三月三十一日，董事、彼等之聯繫人士或任何據董事所知擁有本公司已發行股本5%以上權益之本公司股東概無擁有上一段所述本集團五大客戶或五大供應商任何實益權益。

業績及股息

本集團截至二零零六年三月三十一日止年度之業績以及本集團及本公司於當日之財務狀況載於財務報表第36至42頁。

董事會並不建議就截至二零零六年三月三十一日止年度派付任何末期股息（二零零五年：零港元）。

儲備

本集團及本公司於年內之儲備變動載於財務報表附註28。

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in Note 14 to the financial statements.

Additions to property, plant and equipment of the Group during the year amounted to HK\$3,083,000 (2005: HK\$4,710,000).

BORROWINGS

Details of borrowings of the Group and the Company as at 31 March 2006 are set out in Notes 25 and 26 to the financial statements.

FIVE YEARS SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4 of the annual report.

SHARE CAPITAL

Movements in share capital of the Company during the year are set in Note 27 to the financial statements.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Group and the Company as at 31 March 2006 are set out in Note 28 to the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events occurring after the balance sheet date are set out in Note 33 to the financial statements.

物業、廠房及設備

年內，物業、廠房及設備之變動載於財務報表附註14。

本集團於年內添置達3,083,000港元（二零零五年：4,710,000港元）之物業、廠房及設備。

借貸

本集團及本公司於二零零六年三月三十一日之借貸詳情載於財務報表附註25及26。

五年概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年報第4頁。

股本

年內，本公司之股本變動載於財務報表附註27。

優先購股權

百慕達法例並無關於優先購股權之條文，規定本公司須按比例向現有股東發售新股份。

可供分配儲備

本集團及本公司於二零零六年三月三十一日之可供分配儲備詳情載於財務報表附註28。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註33。

DIRECTORS' REPORT 董事會報告書

DIRECTORS

The Directors during the year and up to the date of report were:

Executive Directors

Mr. Loo Chung Keung Steve	
Mr. Chan Wai Ming	
Mr. Sun Yeung Yeung	
Mr. Yip Chi Chiu	(Appointed on 9 May 2006)
Mr. Zu Yuan	(Appointed on 15 December 2005 and resigned on 9 May 2006)
Ms. Tin Yuen Sin Carol	(Appointed on 13 April 2005 and resigned on 25 October 2005)

Non-executive Directors

Mr. Tung Tat Chiu Michael	
Mr. Ryoji Furukawa	(Appointed on 9 May 2006)
Mr. Chak Chi Man	(Appointed on 25 October 2005)
Mr. Gouw Kar Yiu Carl	(Resigned on 9 May 2006)
Ms. Gouw San Bo Elizabeth	(Resigned on 15 December 2005)

Independent non-executive Directors

Mr. Pang Chun Sing	
Mr. Chan Chun Wai	
Mr. Wong Miu Sung	(Appointed on 10 May 2005)
Mr. Tsang Pak Chung Eddy	(Resigned on 10 May 2005)

In accordance with bye-law 99 of the Company's bye-laws ("Bye-laws"), Messrs. Sun Yeung Yeung and Pang Chun Sing will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

In accordance with bye-law 102(B) of the Bye-laws, Messrs. Chak Chi Man, Ryoji Furukawa and Yip Chi Chiu will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received from each of its independent non-executive Directors an annual confirmation of his 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"). Based on such confirmation, the Company considers that all independent non-executive Directors to be independent.

董事

於年內及截至本報告日期在任之董事為：

執行董事

盧重強先生	
陳偉明先生	
孫揚陽先生	
葉志釗先生	(於二零零六年五月九日獲委任)
祖員先生	(於二零零五年十二月十五日獲委任，其後於二零零六年五月九日辭任)
田琬善女士	(於二零零五年四月十三日獲委任，其後於二零零五年十月二十五日辭任)

非執行董事

佟達釗先生	
古川令治先生	(於二零零六年五月九日獲委任)
翟志文先生	(於二零零五年十月二十五日獲委任)
吳家耀先生	(於二零零六年五月九日辭任)
吳珊寶女士	(於二零零五年十二月十五日辭任)

獨立非執行董事

彭振聲先生	
陳振威先生	
黃妙送先生	(於二零零五年五月十日獲委任)
曾百中先生	(於二零零五年五月十日辭任)

根據本公司之公司細則（「公司細則」）第99條，孫揚陽先生及彭振聲先生將於應屆股東週年大會輪值告退，並合資格且願意膺選連任。

根據公司細則第102(B)條，翟志文先生、古川令治先生及葉志釗先生將於應屆股東週年大會告退，並合資格且願意膺選連任。

本公司接獲各獨立非執行董事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條就彼之獨立身分發出之年度確認書。按照該確認書，本公司認為，全體獨立非執行董事均為獨立人士。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' BIOGRAPHIES

Mr. Ryoji Furukawa

Chairman & non-executive Director

Aged 52, was appointed as a non-executive Director and the Chairman of the Company on 9 May 2006. He graduated from the Law Department of College of Law of Keio University, Japan. He is currently the Chairman of the Board of Asset Managers Co., Ltd. ("Asset Managers"). He has over 30 years experience in investment and merchant banking industry. Mr. Furukawa has extensive experience in large-scale merger and acquisition business and sale and purchase of hotels in Greater China, the United States and Europe, liquidation of department store and other corporations. He is also experienced in applying European type of real estate liquidation technique to major project in Japan. Mr. Furukawa was the Deputy General Manager, Merger and Acquisition Department of Merchant Banking Group of The Long-Term Credit Bank of Japan, Limited (currently known as Shinsei Bank, Limited) from April 1976 to December 1998. He was appointed as a director of Katokichi Co., Ltd. from July 1996 to March 2000 and a director of Colliers Advice Co., Ltd. from September 1999 to March 2000 to provide solution for real estate business.

Mr. Furukawa is a director of Asset Managers, Asset Managers (Asia) Company Limited (formerly known as Asset Managers (China) Company Limited) ("Asset Managers Asia") and Asset Managers (China) Fund Co., Ltd. ("Asset Managers Fund"), all being substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO").

Mr. Yip Chi Chiu

Deputy Chairman & executive Director

Aged 47, was appointed as an executive Director and the Deputy Chairman of the Company on 9 May 2006. He graduated from Chinese University of Hong Kong with a Bachelor degree, majoring in Economics. Mr. Yip is the Chief Executive Officer and director of Asset Managers Asia. He has over 18 years experience in merchant banking industry in the Greater China Region. He was in charge of the setting up of Asset Managers Asia in 2004 and is responsible for the formation of overall policy, corporate planning and business development and the overall strategic direction of Asset Managers Asia. Mr. Yip held senior position in various financial institutions, including the position of Managing Director of VC CEF Capital Limited (currently known as VC Capital Limited) and the Deputy General Manager of The Long-Term Credit Bank of Japan, Limited – Hong Kong Branch (currently known as Shinsei Bank, Limited).

Mr. Yip is a director of Asset Managers Asia and Asset Managers Fund, both being substantial shareholders of the Company within the meaning of Part XV of the SFO.

董事資料簡介

古川令治先生

主席兼非執行董事

52歲，於二零零六年五月九日獲委任為本公司非執行董事兼主席。彼於日本慶應義塾大學法學部畢業。彼現時為Asset Managers Co., Ltd. (「Asset Managers」)之董事長，從事投資及商人銀行業務逾30年。古川先生對於在大中華地區、美國及歐洲進行大型併購活動及買賣酒店，以及變賣百貨公司及其他公司等各方面累積豐富經驗。彼亦擅長將歐洲通行之房地產變賣手法應用在日本的重要項目。古川先生於一九七六年四月至一九九八年十二月期間曾任日本長期信用銀行(現稱新生銀行)商人銀行組合併及收購部之副總經理；由一九九六年七月至二零零零年三月獲委任為Katokichi Co., Ltd.之董事及由一九九九年九月至二零零零年三月獲委任為Colliers Advice Co., Ltd.之董事，專責為房地產業務提供解決方案。

古川先生為Asset Managers、亞盛(亞洲)有限公司(前稱中國金川資產管理有限公司)(「亞盛亞洲」)及Asset Managers (China) Fund Co., Ltd. (「Asset Managers Fund」)之董事，該等公司均為香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部所界定本公司之主要股東。

葉志釗先生

副主席兼執行董事

47歲，於二零零六年五月九日獲委任為本公司執行董事兼副主席。彼於香港中文大學經濟系畢業，獲頒學士學位。葉先生亦為亞盛亞洲之行政總裁兼董事。彼在大中華地區從事商人銀行業務逾18年。彼於二零零四年主管成立亞盛亞洲，負責制訂亞盛亞洲之整體政策、企業規劃及業務發展以及整體策略路向。葉先生曾在多家金融機構擔任高級職務，包括匯盈加怡融資有限公司(現稱匯盈融資有限公司)之董事總經理，以及日本長期信用銀行(現稱新生銀行)香港分行之副總經理。

葉先生為亞盛亞洲及Asset Managers Fund之董事，該等公司均為證券及期貨條例第XV部所界定本公司之主要股東。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' BIOGRAPHIES (Continued)

Mr. Loo Chung Keung Steve

Managing Director & executive Director

Aged 42, was appointed as an executive Director on 9 March 2005. He was the Chairman of the Company from 23 September 2005 to 9 May 2006. He was appointed as the Managing Director of the Company on 9 May 2006. Mr. Loo also serves directorship of a number of subsidiaries of the Company. Mr. Loo graduated from Carleton University in Canada with a Bachelor degree in Commerce in 1985 and a Master degree in Management Studies in 1987. He is a certified general accountant of Canada. Mr. Loo has substantial business experience in investment, finance and media sectors in Hong Kong and the PRC.

Mr. Loo is a director of Star Metro Investments Limited ("Star Metro"), being a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Chan Wai Ming

Chief Executive Officer & executive Director

Aged 46, was appointed as an executive Director on 9 March 2005 and as Chief Executive Officer of the Company on 23 September 2005. He was the Deputy Chairman of the Company from 23 September 2005 to 9 May 2006. Mr. Chan also serves directorship of a number of subsidiaries of the Company. Mr. Chan has substantial exposure in the financial sector in Hong Kong. He was appointed as dealing directors in several local and international large-scale securities firms and the head of dealing of an asset management firm. Mr. Chan has rich experience in dealing of securities.

Mr. Chan is a director of Star Metro, being a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Sun Yeung Yeung

Executive Director

Aged 33, was appointed as an executive Director on 8 March 2004. He studied in the United Kingdom and Singapore. He is currently the General Manager in the Investment Team of CITIC International Assets Management Limited ("CIAM") with focus on deal sourcing in both the PRC and Hong Kong.

Mr. Sun holds several directorships in a number of companies. He is a director of Beijing Kananten Investment Consulting Limited, which is a wholly owned subsidiary of CIAM. He is also an independent non-executive director of China Best Group Holding Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Sun also serves as a director to Shenzhen Kaifa Magnetic Recording Co. Ltd., in which CIAM has an equity interest. Prior to joining CIAM, Mr. Sun was a manager in the Investment Banking Department of CITIC Capital Markets Holdings Limited and was responsible for exploring business opportunities and participating in transaction negotiations. Mr. Sun has obtained profound investment and financing experience in capital markets in the PRC and Hong Kong.

Mr. Sun is an employee of CIAM, being a substantial shareholder of the Company within the meaning of Part XV of the SFO.

董事資料簡介 (續)

盧重強先生

董事總經理兼執行董事

42歲，於二零零五年三月九日獲委任為執行董事。彼於二零零五年九月二十三日至二零零六年五月九日期間出任本公司主席，並於二零零六年五月九日獲委任為本公司董事總經理。盧先生亦於本公司多家附屬公司出任董事職務。盧先生畢業於加拿大伽爾頓大學，先後於一九八五年取得商學士學位及於一九八七年取得管理碩士學位。彼為加拿大註冊會計師。盧先生於香港及中國投資、金融及傳媒界擁有豐富業務經驗。

盧先生現為Star Metro Investments Limited (「Star Metro」)之董事，該公司為證券及期貨條例第XV部所界定本公司之主要股東。

陳偉明先生

行政總裁兼執行董事

46歲，於二零零五年三月九日獲委任為執行董事，並於二零零五年九月二十三日獲委任為本公司行政總裁。彼於二零零五年九月二十三日至二零零六年五月九日期間出任本公司副主席。陳先生亦於本公司多家附屬公司出任董事職務。陳先生於香港金融界經驗豐富，曾獲委任為多家本地及國際大型證券行之交易董事及一家資產管理公司之交易主管。陳先生於證券交易方面經驗豐富。

陳先生為Star Metro董事，該公司為證券及期貨條例第XV部所界定本公司之主要股東。

孫揚陽先生

執行董事

33歲，於二零零四年三月八日獲委任為執行董事。彼曾在英國及新加坡深造，現任中信國際資產管理有限公司(「中信國際資產」)投資部總經理，主要負責在中國及香港之交易採購。

孫先生在多家公司擔任董事職位。彼為中信國際資產之全資附屬公司北京嘉銀通投資顧問有限公司之董事，亦任香港聯合交易所有限公司(「聯交所」)上市公司國華集團控股有限公司之獨立非執行董事。孫先生亦任深圳市開發磁記錄有限公司(中信國際資產於其中擁有股本權益)之董事職位。加入中信國際資產前，孫先生為中信資本市場控股有限公司投資銀行部經理，負責拓展業務機會及交易洽談。孫先生在中國及香港資本市場投資及融資方面擁有豐富經驗。

孫先生為中信國際資產僱員，該公司為證券及期貨條例第XV部所界定本公司之主要股東。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' BIOGRAPHIES (Continued)

Mr. Tung Tat Chiu Michael

Non-executive Director

Aged 44, was appointed as a non-executive Director on 9 March 2005. Mr. Tung holds a Bachelor of Arts degree in Law and Accounting from the University of Manchester. He is a practising solicitor in Hong Kong. He is an independent non-executive director of two companies, whose shares are listed on the Stock Exchange and is also the company secretary of four other listed companies in Hong Kong.

Mr. Chak Chi Man

Non-executive Director

Aged 40, was appointed as a non-executive Director on 25 October 2005. He graduated from the University of Hong Kong and City University of Hong Kong with a Bachelor degree in Social Sciences and a Master of Science degree in Finance respectively. He is currently the Associate Director of CIAM with focus on the risk and finance control function. Prior to joining CIAM, Mr. Chak was an executive director in a joint venture finance company in Hong Kong. He has over 18 years of experience in the banking and finance sector in the PRC and Hong Kong.

Mr. Chak is an employee of CIAM, being a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Pang Chun Sing

Independent non-executive Director

Aged 59, was appointed as an independent non-executive Director on 23 February 2005. Mr. Pang is the founder of Chan, Lai & Pang & Co., an accounting firm in Hong Kong and subsequently became a consultant of Chan, Lai & Pang & Co.. From 1997 to 2000, Mr. Pang was the chairman of GR Investment Holdings Limited (currently known as Prosperity Investment Holdings Limited), the shares of which are listed on the Stock Exchange. From September 1998 to June 2000, Mr. Pang was also a director of Sinox Fund Management Limited, the investment manager of GR Investment Holdings Ltd., where he was mainly responsible for formulation of strategy, supervision of management, liaison with investors and corporate joint ventures in the PRC.

Mr. Chan Chun Wai

Independent non-executive Director

Aged 36, was appointed as an independent non-executive Director on 22 March 2005. Mr. Chan graduated from University of Central Oklahoma with a Bachelor degree in Computer Sciences and Mathematics. He has over 16 years of experience in the field of information technology in Hong Kong and the United States.

董事資料簡介 (續)

佟達釗先生

非執行董事

44歲，於二零零五年三月九日獲委任非執行董事。佟先生持有曼徹斯特大學法律及會計文學士學位。佟先生為香港執業律師。彼亦為兩家聯交所上市公司之獨立非執行董事，以及另外四家香港上市公司之公司秘書。

翟志文先生

非執行董事

40歲，於二零零五年十月二十五日獲委任為非執行董事。彼分別獲頒香港大學社會科學學士學位及香港城市大學金融理學碩士學位。彼現為中信國際資產聯席董事，負責風險及財務監控工作。於加入中信國際資產前，翟先生曾任香港一家合營財務公司之執行董事。彼於中國及香港銀行及金融業擁有逾18年工作經驗。

翟先生為中信國際資產僱員，該公司為證券及期貨條例第XV部所界定本公司之主要股東。

彭振聲先生

獨立非執行董事

59歲，於二零零五年二月二十三日獲委任為獨立非執行董事。彭先生為香港一家會計師行陳黎彭會計師事務所之創辦人，其後則轉任為陳黎彭會計師事務所之顧問。於一九九七年至二零零零年期間，彭先生出任聯交所上市公司金源創展有限公司（現稱嘉進投資國際有限公司）之主席。自一九九八年九月至二零零零年六月，彭先生亦兼任利禾資金管理有限公司（為金源創展有限公司之投資經理）之董事。彭先生在該等公司主要負責策略制訂、管理監督、與投資者聯絡及於中國組成合資企業。

陳振威先生

獨立非執行董事

36歲，於二零零五年三月二十二日獲委任為獨立非執行董事。陳先生畢業於University of Central Oklahoma，獲頒電腦科學及數學學士學位。彼在香港及美國之資訊科技界積逾16年工作經驗。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' BIOGRAPHIES (Continued)

Mr. Wong Miu Sung

Independent non-executive Director

Aged 42, was appointed as an independent non-executive Director on 10 May 2005. Mr. Wong received his Master degree from Virginia Commonwealth University in the United States in 1991. He is a senior professional in media and public relations industries both in the PRC and Hong Kong and is familiar with consumer markets and media research businesses of two places.

During 2003 to 2005, Mr. Wong was appointed as deputy director in marketing and communication in one of the China's largest media research companies, CSM Media Research. During 1997 to 2003, he worked in "Hong Kong Economic Journal" and Sing Pao Newspaper Company Limited respectively as financial reporter, head of services desk and managing editor. Since the beginning of 90's, Mr. Wong was engaged in various Sino-Hong Kong trading activities, including machinery and equipment, auto and parts, refined oils wholesales and retails and smart cards.

董事資料簡介 (續)

黃妙送先生

獨立非執行董事

42歲，於二零零五年五月十日獲委任為獨立非執行董事。黃先生於一九九一年獲美國Virginia Commonwealth University頒發碩士學位。彼為中國及香港之媒體及公共關係業內資深專業人士，熟悉兩地之消費市場及媒體研究業務。

於二零零三年至二零零五年期間，黃先生獲中國最大媒體研究公司之一央視一索福瑞媒介研究委任為市場及公共傳播副總監。於一九九七年至二零零三年期間，彼亦曾分別任職於「信報財經新聞」及成報報刊有限公司，擔任財經記者、組長及主編等職位。自九十年代初期，黃先生從事多項中港貿易活動，包括機器及設備、汽車及零件、成品油批發及零售以及智能咭。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2006, the interests and short positions of the Directors and chief executive of the Company or their associates in the shares, the underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under 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 Issuers as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in the shares and the underlying shares (in respect of equity derivatives) of the Company

董事及主要行政人員於股份、相關股份及債券之權益或淡倉

於二零零六年三月三十一日，董事及本公司主要行政人員或彼等之聯繫人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有記錄在根據證券及期貨條例第352條須存置之登記冊內之權益及淡倉，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司股份及有關股本衍生工具之相關股份之好倉

Name of Director 董事姓名	Notes 附註	Capacity 身分	Number of shares interested 擁有權益之股份數目	Number of underlying shares in respect of the options granted under the Share Option Scheme 根據購股權計劃所授出購股權所涉及相關股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比
Mr. Loo Chung Keung Steve 盧重強先生	1	Interest of a controlled corporation 受控公司權益	164,000,000	Nil 無	19.78%
Mr. Chan Wai Ming 陳偉明先生	1	Interest of a controlled corporation 受控公司權益	164,000,000	Nil 無	19.78%
Mr. Sun Yeung Yeung 孫揚陽先生	2	Beneficial owner 實益擁有人	Nil 無	4,140,000	0.50%
Mr. Tung Tat Chiu Michael 佟達釗先生	3	Beneficial owner 實益擁有人	Nil 無	1,000,000	0.12%

DIRECTORS' REPORT 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Long positions in the shares and the underlying shares (in respect of equity derivatives) of the Company (Continued)

Notes:

1. As at 31 March 2006, Star Metro Investments Limited, owned 164,000,000 shares of the Company ("Shares"). Star Metro Investments Limited is a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Loo Chung Keung Steve and as to 50% by Mr. Chan Wai Ming, both are executive Directors and are (i) Managing Director of the Company and (ii) Chief Executive Officer of the Company respectively. Therefore, Mr. Loo Chung Keung Steve and Mr. Chan Wai Ming are deemed to be interested in the 164,000,000 Shares.
2. The options were granted to Mr. Sun Yeung Yeung to subscribe for Shares. The options were exercisable at HK\$0.128 per share and will expire on 20 December 2015.
3. The options were granted to Mr. Tung Tat Chiu Michael to subscribe for Shares. The options were exercisable at HK\$0.128 per share and will expire on 20 December 2015.

Save as disclosed above, as at 31 March 2006, none of the Directors or chief executive or their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Other than the share option scheme adopted by the Company on 30 March 2004 (as amended by the addendum to the share option scheme adopted by the Company on 7 December 2005) (the "Share Option Scheme"), at no time during the year ended 31 March 2006 has the Company or any of its subsidiaries, a party to any arrangements to enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

董事及主要行政人員於股份、相關股份及債券之權益或淡倉 (續)

於本公司股份及有關股本衍生工具之相關股份之好倉 (續)

附註:

1. 於二零零六年三月三十一日，Star Metro Investments Limited擁有164,000,000股本公司股份（「股份」）。Star Metro Investments Limited於英屬維爾京群島註冊成立，由兩名執行董事盧重強先生及陳偉明先生各自擁有50%權益，而彼等分別兼任(i)本公司董事總經理及(ii)本公司行政總裁。因此，盧重強先生及陳偉明先生被視作擁有該164,000,000股股份權益。
2. 該等購股權乃授予孫揚陽先生以認購股份，可按每股0.128港元行使，並將於二零一五年十二月二十日到期。
3. 該等購股權乃授予佟達釗先生以認購股份，可按每股0.128港元行使，並將於二零一五年十二月二十日到期。

除上文披露者外，於二零零六年三月三十一日，董事或主要行政人員或彼等各自聯繫人士概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有任何權益或淡倉。

除本公司於二零零四年三月三十日採納之購股權計劃（經本公司於二零零五年十二月七日採納之購股權計劃附錄修訂）（「購股權計劃」）外，於截至二零零六年三月三十一日止年度內任何時間，本公司或其任何附屬公司概無參與任何安排，致使董事或彼等之配偶或未滿十八歲之子女有權藉收購本公司或任何其他法團之股份或債券而獲利。

DIRECTORS' REPORT

董事會報告書

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 March 2006, so far as is known to the Directors, the following persons, other than the Director or chief executive of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares and the underlying shares (in respect of equity derivatives) of the Company:

Name of shareholder 股東名稱	Note 附註	Capacity 身分	Number of Shares interested 擁有權益之股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比
Star Metro Investments Limited	1	Beneficial owner 實益擁有人	164,000,000	19.78%
CITIC Group 中國中信集團公司	2	Interest of a controlled corporation 受控公司權益	83,200,000	10.04%
Asset Managers Co., Ltd.	3	Interest of a controlled corporation 受控公司權益	163,284,000	19.70%

Notes:

- As at 31 March 2006, Star Metro Investments Limited owned 164,000,000 Shares.
- As far as the Directors are aware, as at 31 March 2006, the 83,200,000 Shares were held by CITIC International Assets Management Limited which is a wholly owned subsidiary of CITIC International Financial Holdings Limited, the shares of which are listed on the Stock Exchange. CITIC International Financial Holdings Limited is owned as to 56% by CITIC Group as at 31 March 2006.
- As at 31 March 2006, the 163,284,000 Shares were directly held by Asset Managers (China) Fund Co., Ltd. which was owned as to 50% by Asset Managers (Asia) Company Limited (formerly known as Asset Managers (China) Company Limited) ("Asset Managers Asia") and 50% by Asset Investors Co., Ltd. Asset Managers Asia was owned as to 70% by Red Rock Investment Co., Ltd. which was a wholly owned subsidiary of Asset Managers Co., Ltd. Asset Investors Co., Ltd. was owned as to 57.69% by Asset Managers Co., Ltd.

Save as disclosed above, as at 31 March 2006, the Company has not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

根據證券及期貨條例須予披露之股東權益及淡倉

於二零零六年三月三十一日，據董事所知及根據證券及期貨條例第336條本公司須存置之登記冊所記錄，除董事或本公司主要行政人員外，以下人士擁有本公司股份或相關股份之權益或淡倉：

於本公司股份及有關股本衍生工具之相關股份之好倉：

Name of shareholder 股東名稱	Note 附註	Capacity 身分	Number of Shares interested 擁有權益之股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比
Star Metro Investments Limited	1	Beneficial owner 實益擁有人	164,000,000	19.78%
CITIC Group 中國中信集團公司	2	Interest of a controlled corporation 受控公司權益	83,200,000	10.04%
Asset Managers Co., Ltd.	3	Interest of a controlled corporation 受控公司權益	163,284,000	19.70%

附註：

- 於二零零六年三月三十一日，Star Metro Investments Limited擁有164,000,000股股份。
- 據董事所知，於二零零六年三月三十一日，該83,200,000股股份由聯交所上市公司中信國際金融控股有限公司全資附屬公司中信國際資產管理有限公司持有。於二零零六年三月三十一日，中國中信集團公司擁有中信國際金融控股有限公司56%權益。
- 於二零零六年三月三十一日，該163,284,000股股份由Asset Managers (China) Fund Co., Ltd.直接持有，而Asset Managers (China) Fund Co., Ltd.由亞盛（亞洲）有限公司（前稱中國金川資產管理有限公司）（「亞盛亞洲」）及Asset Investors Co., Ltd.各自持有其50%權益。亞盛亞洲由Asset Managers Co., Ltd.全資附屬公司Red Rock Investment Co., Ltd.擁有其70%權益，而Asset Investors Co., Ltd.則由Asset Managers Co., Ltd.擁有其57.69%權益。

除上文披露者外，於二零零六年三月三十一日，除董事或本公司主要行政人員外，本公司並無知悉有任何人士於本公司股份或相關股份中，擁有根據證券及期貨條例第336條本公司須存置之登記冊所記錄之權益或淡倉。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company, which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

SHARE OPTION SCHEME

On 30 March 2004, the Share Option Scheme was approved and adopted by the shareholders of the Company with the purpose to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group, which will be effective for ten years until 29 March 2014.

Pursuant to the Share Option Scheme, the Board may at any time within ten years from the adoption date, offer any eligible participant (including any executive Director of the Company or any of its subsidiaries) options to subscribe for shares in the Company at a price not less than the highest of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for trades in one or more board lots of shares on the offer date;
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the shares of the Company on the date of grant.

The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any other share option scheme of the Group shall not exceed 30% of the share capital of the Company in issue from time to time. The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme. The maximum entitlement of each participant in any twelve month period under the Share Option Scheme shall not exceed 1% of the issued share capital of the Company for the time being.

董事之服務合約

擬於本公司應屆股東週年大會膺選連任之董事，概無與本公司訂立任何於一年內不可免付賠償（法定賠償除外）而由本公司終止之服務合約。

購股權計劃

於二零零四年三月三十日，本公司股東批准採納購股權計劃，使本集團可授予選定參與人購股權以獎勵及嘉許彼等為本集團作出貢獻。計劃於截至二零一四年三月二十九日止十年期間有效。

根據購股權計劃，董事會可於採納日期起計十年內任何時間，向任何合資格參與人（包括本公司或其任何附屬公司之任何執行董事）授出購股權，以按不少於下列最高者之價格認購本公司股份：

- (i) 本公司股份於購股權建議授出日期在聯交所每日報價表所報一手或多手股份之收市價；
- (ii) 本公司股份於緊接購股權建議授出日期前五個營業日在聯交所每日報價表所報之平均收市價；及
- (iii) 於購股權建議授出日期本公司股份之面值。

因行使根據購股權計劃及本集團任何其他購股權計劃已授出但未行使之所有未行使購股權而可能配發及發行之股份數目，最多不得超過本公司不時已發行股本之30%。因行使根據購股權計劃及本集團任何其他股權計劃將授出之所有購股權而可能配發及發行之股份總數，合共不得超過批准購股權計劃當日已發行股份之10%。根據購股權計劃，每名參與人於任何十二個月期間之最高獲授額不得超過本公司當時已發行股本之1%。

SHARE OPTION SCHEME (Continued)

Each grant of options to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors. In addition, any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issuable upon exercise of all options granted and to be granted to such person in the twelve month period up to and including the date of such grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares quoted on the Stock Exchange on the date of grant) in excess of HK\$5 million, such further grant of options shall be subject to approval by the shareholders in general meeting.

Options granted must be taken up within 21 days from the date of grant and payment of the consideration of HK\$1 for each grant of option. The exercise period of the options is determinable by the Directors, and shall expire not later than ten years from the date of grant. The Share Option Scheme does not specify the requirement as to minimum period for which an option must be held.

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme aggregated to 82,120,000 shares, representing 9.89% of the issued share capital of the Company.

Details of the options granted under the Share Option Scheme and movements in such holdings during the year ended 31 March 2006 are set out in Note 30 to the financial statements.

DIRECTORS' INTEREST IN CONTRACTS

There were no contracts of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries a party, subsisting at the end of the year or at any time during the year, in which a Director had, whether directly or indirectly, a material interest.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or the Group was entered into or existed during the year.

購股權計劃 (續)

每次向任何董事、本公司主要行政人員或主要股東或彼等各自之任何聯繫人士授出購股權須經獨立非執行董事批准。此外，倘向主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出任何購股權，將導致因行使該名人士於截至該等購股權授出日期（包括該日）止十二個月期間獲授或將獲授之所有購股權而須予發行之股份數目，超過本公司已發行股份之0.1%，而按購股權授出日期本公司股份在聯交所所報之收市價計算之總值超過5,000,000港元，則該進一步授出購股權須經股東在股東大會批准。

所授出購股權須於授出日期起21日內接納，接納時須就授出之每份購股權支付代價1港元。購股權行使期由董事決定，並將不會遲於授出日期起十年後屆滿。購股權計劃並無規定購股權須持有之最短期限。

於本年報日期，根據購股權計劃可供發行之股份總數為82,120,000股股份，相當於本公司已發行股本9.89%。

截至二零零六年三月三十一日止年度，根據購股權計劃所授出購股權及持有該等購股權之變動詳情載於財務報表附註30。

董事於合約之權益

於本年度結束時或本年度內任何時間，各董事並無在本公司、其控股公司、附屬公司或同系附屬公司所訂立重大合約中，直接或間接擁有重大權益。

管理合約

年內概無訂立或存在任何涉及本公司或本集團全部或任何重大部分業務之管理及行政之合約。

DIRECTORS' REPORT 董事會報告書

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the section headed "Directors' and Chief Executive's Interests or Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES

Details of Directors' emoluments and the highest paid employees are set out in Note 13 to the financial statements.

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

The Company has not redeemed any of its securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Board confirms that as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

AUDITORS

In May 2005, Moore Stephens, resigned as auditors of the Group, CCIF CPA Limited was appointed as the Company's auditors to fill the caused vacancy.

CCIF CPA Limited will retire and a resolution for re-appointment of CCIF CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

REVIEW OF RESULTS

The annual results and this annual report have been reviewed by the audit committee of the Company.

By order of the Board
Chan Wai Ming
Chief Executive Officer

Hong Kong, 14 July 2006

董事購買股份或債券之權利

除上文「董事及主要行政人員於股份、相關股份或債券之權益或淡倉」一節披露者外，於年內任何時間，本公司、其控股公司、附屬公司或同系附屬公司概無訂立任何安排，致使董事或本公司主要行政人員或彼等之聯繫人士可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事及高級僱員之酬金

董事及最高薪僱員之酬金詳情載於財務報表附註13。

購買、出售或贖回本公司上市證券

本公司於年內並無贖回任何本公司證券。本公司或其任何附屬公司於年內概無購買或出售任何本公司證券。

充足公眾持股量

根據本公司可取閱之公開資料及據董事所知，董事會確認，於本報告日期，本公司之已發行股份具備上市規則所規定超過25%之充足公眾持股量。

核數師

於二零零五年五月，馬施雲會計師事務所辭任本集團核數師，陳葉馮會計師事務所有限公司獲委任為本公司核數師以填補空缺。

陳葉馮會計師事務所有限公司將告退。本公司應屆股東週年大會上將提呈續聘陳葉馮會計師事務所有限公司為本公司核數師之決議案。

審閱業績

本公司審核委員會已審閱年度業績及年報。

承董事會命
行政總裁
陳偉明

香港，二零零六年七月十四日