

REPORT OF THE DIRECTORS

董事會報告

The board of directors (the "Board") submit herewith their report and the audited financial statements of Kenfair International (Holdings) Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 46 to 103.

An interim dividend of HK5 cents (2005: HK9 cents) per ordinary share was paid on 20 January 2006. The directors do not recommend the payment of a final dividend (2005: HK8 cents per ordinary share) in respect of the year to shareholders of the Company.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results and of the assets and liabilities of the Group:

董事會(「董事會」)謹此提呈彼等之報告及建發國際(控股)有限公司(「本公司」)及其附屬公司(統稱「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。本公司附屬公司之主要業務詳情載於財務報表附註18。年內，本集團之主要業務性質概無重大變動。

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虧損及本公司與本集團於該日之業務狀況載於第46至第103頁之財務報表內。

本公司已於二零零六年一月二十日派付中期股息每股普通股5港仙(二零零五年：9港仙)。董事會不建議向本公司之股東派付本年度末期股息(二零零五年：8港仙)。

財務資料概要

以下為本集團已刊發之綜合業績及資產與負債概要：

REPORT OF THE DIRECTORS

董事會報告

SUMMARY FINANCIAL INFORMATION (continued)

財務資料概要(續)

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2006	2005	2004	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
Turnover	營業額					
Participation fee income	參展費收入	233,819	203,969	204,931	171,169	158,505
Entrance fee income	入場費收入	918	1,020	1,787	1,357	874
Hotel and travel package income	酒店及旅遊套票收入	14,632	12,317	11,686	-	-
Administrative income	行政收入	-	-	-	251	144
Advertising fee income	廣告費收入	9,576	8,741	7,200	6,948	4,515
Portal income	入門網站收入	2,705	2,631	2,748	1,156	-
		261,650	228,678	228,352	180,881	164,038
Other revenue	其他收益	1,112	511	333	334	908
Other income	其他收入	1,503	15,201	7,426	-	-
		264,265	244,390	236,111	181,215	164,946
Fair value losses on financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產之公平值虧損	(15,126)	-	-	-	-
Advertising and promotion expenses	廣告及推廣開支	(44,716)	(29,585)	(25,459)	(19,093)	(11,620)
Agency commission	代理佣金	(15,473)	(13,006)	(13,253)	(11,300)	(10,739)
Amortisation and depreciation	攤銷及折舊	(8,234)	(8,752)	(10,494)	(4,950)	(3,561)
Hotel and travel package expenses	酒店及旅遊套票開支	(14,537)	(12,133)	(12,437)	-	-
Operating lease rentals	經營租賃租金	(39,026)	(32,382)	(34,511)	(25,432)	(24,018)
Staff costs	員工成本	(55,087)	(43,129)	(40,405)	(29,146)	(26,897)
Other operating expenses	其他營運開支	(100,749)	(62,439)	(56,492)	(38,543)	(33,014)
(Loss)/profit from operating activities	經營業務(虧損)/溢利	(28,683)	42,964	43,060	52,751	55,097
Finance costs	融資成本	(67)	(189)	(352)	(386)	(504)
(Loss)/profit before tax	除稅前(虧損)/溢利	(28,750)	42,775	42,708	52,365	54,593
Taxation	稅項	(3,474)	(8,000)	(10,500)	(9,947)	(9,489)
(Loss)/profit for the year	本年度(虧損)/溢利	(32,224)	34,775	32,208	42,418	45,104
Attributable to	歸屬於					
- Minority interests	- 少數股東	967	-	-	-	-
- Equity holders of the Company	- 本公司股東	(33,191)	34,775	32,208	42,418	45,104
(Loss)/profit for the year	本年度(虧損)/溢利	(32,224)	34,775	32,208	42,418	45,104

REPORT OF THE DIRECTORS

董事會報告

SUMMARY FINANCIAL INFORMATION (continued)

財務資料概要(續)

		As at 31 March 於三月三十一日				
		2006	2005	2004	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	63,082	68,591	80,386	66,867	20,453
Current assets	流動資產	93,275	137,099	112,822	86,623	55,570
Current liabilities	流動負債	(79,151)	(80,915)	(74,654)	(53,481)	(59,346)
Non-current liabilities	非流動負債	(3,702)	(8,964)	(2,298)	(9,418)	(11,046)
		73,504	115,811	116,256	90,591	5,631

Note: The results of the Group for the two years ended 31 March 2006 and its assets and liabilities as at 31 March 2005 and 2006 are those set out on pages 46 and 47 of the financial statements.

附註：本集團截至二零零六年三月三十一日止兩個年度之業績及其於二零零五年及二零零六年三月三十一日之資產與負債分別載於財務報表第46及第47頁。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註16。

SHARE CAPITAL, SHARE OPTION AND WARRANTS

Details of movements in the Company's share capital during the year and details of the Company's share option scheme and warrants are set out in notes 28 to 30 to the financial statements.

股本、購股權及認股權證

本公司年內之股本變動詳情及本公司購股權計劃及認股權證詳情載於財務報表附註28至30。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

優先購買權

本公司之公司組織章程細則或開曼群島(本公司註冊成立所處之司法權區)法例概無載有關於優先購買權之條文，而令本公司須按比例向現有股東發售新股份。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities during the year.

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司在年內概無購買、贖回或出售任何本公司之上市證券。

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity, respectively.

儲備

本公司及本集團在年內之儲備變動詳情分別載於財務報表附註30及綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

At 31 March 2006, the Company did not have any reserves (2005: HK\$29,837,000), available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands, and no final dividend (2005: HK\$17,273,000) has been proposed out of such reserves for the year. In accordance with the Companies Law (2003 Revision) of the Cayman Islands, a company may make distributions to its members out of the contributed surplus accounts under certain circumstances. In addition, the Company's share premium account, in the amount of HK\$89,517,000 (2005: HK\$64,902,000) may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 25% (2005: 22%) of the Group's turnover for the year and turnover attributable to the largest customer included therein amounted to approximately 16% (2005: 18%). Purchases from the Group's five largest suppliers accounted for approximately 53% (2005: 52%) of the Group's cost of exhibitions for the year and the fees paid to the largest supplier accounted for approximately 19% (2005: 23%) of the Group's cost of exhibitions for the year.

None of the directors of the Company, or any of their associates or 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 or suppliers.

DIRECTORS

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

Executive directors:

Mr. Ip Ki Cheung (*Chairman*)
Mr. Cheung Shui Kwai (*Managing Director*)
Mr. Chan Siu Chung ("Mr. S.C. Chan")

Independent non-executive directors:

Mr. Chan Wing Yau, George
Mr. Lai Yang Chau, Eugene
Mr. Law Sung Ching, Gavin

In accordance with articles 87(1) and (2) of the Articles, Mr. S.C. Chan will retire from the Board at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

The Company has received confirmation from each of the INEDs about his independence pursuant of rule 3.13 of the Listing Rules. The Company is of the view that all INEDs meet the independent rules and continues to consider each of them to be independent.

可供分派儲備

於二零零六年三月三十一日，本公司並無任何按照開曼群島公司法（二零零三年修訂版）計算之可供作現金分派及／或實物分派之儲備（二零零五年：29,837,000港元），亦無獲建議自本年度之有關儲備中撥付末期股息（二零零五年：17,273,000港元）。根據開曼群島公司法（二零零三年修訂版），本公司可在若干情況下以繳入盈餘賬內之款項向其股東作出分派。此外，本公司股份溢價賬內之89,517,000港元（二零零五年：64,902,000港元）亦可以繳足股款紅利股份之形式作出分派。

主要客戶及供應商

於回顧年度內，本集團向五大客戶取得之銷售額佔本集團年內之營業額約25%（二零零五年：22%），此數額包括向當中最大客戶取得之銷售額約16%（二零零五年：18%）。本集團向五大供應商之採購額佔本集團年內之展覽成本約53%（二零零五年：52%），而向最大供應商支付之費用則佔本集團年內之展覽成本約19%（二零零五年：23%）。

本公司董事、彼等之任何聯繫人士或任何股東（就董事所知，擁有本公司已發行股本5%以上者）概無於本集團之五大客戶或供應商中擁有任何實益權益。

董事

年內及截至本報告日期為止，本公司之董事如下：

執行董事：

葉紀章先生（主席）
張瑞貴先生（董事總經理）
陳兆忠先生（「陳兆忠先生」）

獨立非執行董事：

陳永祐先生
黎瀛洲先生
羅崇禎先生

根據細則第87(1)及(2)條之規定，陳兆忠先生將於應屆股東週年大會上卸任董事一職，惟彼符合資格並願意膺選連任。

本公司已收到各位獨立非執行董事根據上市規則第3.13條作出有關其獨立之確認書。本公司認為所有獨立非執行董事均遵守獨立規則，並繼續認為彼等均為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 23 to 25 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years commencing from 1 April 2002 and which will continue thereafter until the agreement is terminated by not less than six calendar months' notice in writing served by either party on the other. Such notice of termination is agreed not to be issued earlier than 31 March 2005. No notice of termination was received from the executive directors nor issued by the Company up to the date of this report.

All INEDs have no fixed terms of appointments. No service agreement has been or will be entered into between the Company and either of the INEDs.

Apart from the foregoing, 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.

董事及高級管理層之簡歷

本公司董事及本集團高級管理層之簡歷載於本年報第23至第25頁。

董事之服務合約

各執行董事均與本公司訂立服務合約，自二零零二年四月一日起初步為期三年，並於其後繼續生效，直至協議任何一方向另一方發出不少於六個公曆月之書面通知終止協議為止，有關終止通知不得於二零零五年三月三十一日前發出。截至本報告日期為止，並無收到執行董事或由本公司發出之終止通知。

所有獨立非執行董事均無固定任期。本公司概無亦將不會與獨立非執行董事訂立服務合約。

除上述者外，擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立本公司不得於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' REMUNERATION

Directors' remuneration, comprised payments to the directors of the Company and its subsidiaries in connection with the management of the affairs of the Group, is as follows:

董事酬金

董事酬金(包括就管理本集團業務而支付予本公司及其附屬公司各董事之款項)如下:

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Basic salaries 基本薪金 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Provident fund contributions 公積金供款 HK\$'000 千港元	Total 合計 HK\$'000 千港元
2006:						
Executive directors						
Mr. Ip Ki Cheung	-	1,488	840	2,300	12	4,640
Mr. Cheung Shui Kwai	-	1,488	840	1,380	12	3,720
Mr. Chan Siu Chung	-	1,488	840	920	12	3,260
Independent non-executive directors						
Mr. Chan Wing Yau, George	60	-	-	-	-	60
Mr. Lai Yang Chau, Eugene	60	-	-	-	-	60
Mr. Law Sung Ching, Gavin	60	-	-	-	-	60
	180	4,464	2,520	4,600	36	11,800
2005:						
Executive directors						
Mr. Ip Ki Cheung	-	1,488	840	2,000	12	4,340
Mr. Cheung Shui Kwai	-	1,488	770	1,200	12	3,470
Mr. Chan Siu Chung	-	1,488	840	800	12	3,140
Independent non-executive directors						
Mr. Chan Wing Yau, George	60	-	-	-	-	60
Mr. Lai Yang Chau, Eugene	60	-	-	-	-	60
Mr. Law Sung Chung, Gavin	40	-	-	-	-	40
Mr. Wong Tat Tong	20	-	-	-	-	20
	180	4,464	2,450	4,000	36	11,130

Included in the directors' remuneration of HK\$11,800,000 (2005: HK\$11,130,000) is HK\$Nil (2005: HK\$2,933,000) which is included in "Development costs for shows and exhibitions" in the consolidated balance sheet.

董事酬金11,800,000港元(二零零五年: 11,130,000港元)已包括綜合資產負債表內「展覽會發展成本」項下之零港元(二零零五年: 2,933,000港元)。

The remuneration for the two years ended 31 March 2006 disclosed above does not include the estimated monetary value of residential accommodation provided to a director of the Group. The estimated monetary value of such residential accommodation provided to the director, not charged to the consolidated income statement for the year, was HK\$Nil (2005: HK\$39,000).

上文所述截至二零零六年三月三十一日止兩個年度之酬金並無計入提供予本集團一名董事之住宅物業之估計貨幣價值。年內向該董事提供之該幢住宅之估計貨幣價值為零港元(二零零五年: 39,000港元)並無於綜合損益賬扣除。

In accordance with the director's service agreement entered between the Company and each of the three executive directors on 18 March 2002, a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to shareholders of the Company (after tax but before extraordinary items and such bonus) in respect of every financial year of the Company shall be determined by the Board, but in any event, the aggregate amount payable each financial year shall not exceed 15 per cent of such profit and shall be payable within one calendar month after the audited consolidated accounts of the Group for such financial year have been approved by the Board.

根據本公司與三名執行董事各自於二零零二年三月十八日訂立之董事服務協議, 董事會須釐定就每個財政年度按本公司股東應佔本集團經審核綜合溢利(除稅但未扣除非經常項目及有關花紅), 若干百分比計算之酌情花紅, 惟無論如何, 每個財政年度應付總額不得超過有關溢利之15%, 並須於董事會已批准本集團於有關年度之經審核綜合賬目後一個曆月內支付。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無董事放棄或同意放棄任何酬金之安排。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either directly or indirectly, in any contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year. Save as disclosed in this report, none of the director has had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group during the year.

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

Save as disclosed below, as at 31 March 2006, none of the directors had any beneficial interests (including interests or short positions) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to in that section, or will be required, pursuant to the Model Code in the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the shares of the Company

董事之合約權益

本公司、其控股公司或其任何附屬公司於年內概無訂立與董事直接或間接擁有重大實益權益而對本集團業務影響重大之任何合約。除本報告披露者外，年內各董事概無直接或間接擁有本集團任何成員公司購入、出售或租賃或擬購入、出售或租賃之任何資產之任何權益。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

除下文披露者外，於二零零六年三月三十一日，概無董事於本公司及其任何聯營公司（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部份第7及8分部須知會本公司及聯交所（包括根據證券及期貨條例之有關條文被當作或被視為擁有之權益或淡倉）或根據證券及期貨條例第352條須記錄於該條例所述之登記冊或須根據標準守則知會本公司及聯交所之實益權益（包括權益或淡倉）。

於本公司股份之好倉

Name of directors	董事姓名	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage holding of shares 持股量概約百分比
Mr. Ip Ki Cheung (a)	葉紀章先生 (a)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%
Mr. Cheung Shui Kwai (b)	張瑞貴先生 (b)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Mr. Chan Siu Chung (c)	陳兆忠先生 (c)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%

Notes:

- (a) Mr. Ip Ki Cheung is beneficially interested in 50% of the entire issued share capital of Capital Concord Profits Limited ("Capital Concord") which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006. Accordingly, Mr. Ip Ki Cheung is deemed to be interested in these 118,000,000 shares under the SFO.
- (b) Mr. Cheung Shui Kwai is beneficially interested in 30% of the entire issued share capital of Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006. The interest in 35,400,000 shares represents the proportionate attributable interest through Capital Concord's shareholding in the Company.
- (c) Mr. Chan Siu Chung is beneficially interested in 20% of the entire issued share capital of Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006. The interest in 23,600,000 shares represents the proportionate attributable interest through Capital Concord's shareholding in the Company.

附註：

- (a) 於二零零六年三月三十一日，葉紀章先生實益擁有Capital Concord Profits Limited（「Capital Concord」）全部已發行股本之50%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。因此，根據證券及期貨條例，葉紀章先生被視為擁有該118,000,000股股份之權益。
- (b) 於二零零六年三月三十一日，張瑞貴先生實益擁有Capital Concord全部已發行股本之30%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。所持有之35,400,000股股份乃透過Capital Concord於本公司之股權按比例計算之應佔權益。
- (c) 於二零零六年三月三十一日，陳兆忠先生實益擁有Capital Concord全部已發行股本之20%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股本之50.12%。所持有之23,600,000股股份乃透過Capital Concord於本公司之股權按比例計算之應佔權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme as set out in note 29 to the financial statements, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 29 to the financial statements.

No option had been granted nor agreed to be granted under the share option scheme during the year and the Company had no options outstanding as at 31 March 2006 and up to the date of approval of this report.

SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSABLE UNDER THE SFO

As at 31 March 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the shares of the Company

董事購入股份或債券之權利

除於財務報表附註29所載購股權計劃內所披露者外，本公司、其控股公司或其任何附屬公司在年內概無訂立任何安排，致使本公司董事、彼等各自之配偶或18歲以下之子女可藉購入本公司或任何其他法人團體之股份或債券而得益。

購股權計劃

本公司購股權計劃之詳情載於財務報表附註29。

年內，本公司並無根據購股權計劃授出或同意將予授出任何購股權，及於二零零六年三月三十一日及截至本報告之批准日期為止亦無任何未行使之購股權。

主要股東與根據證券及期貨條例須予披露之權益

於二零零六年三月三十一日，本公司已發行股本5%或以上之下列權益乃載於本公司根據證券及期貨條例第336條須存置之權益登記冊內：

於本公司股份之好倉

Name	名稱	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage of existing issued ordinary share capital of the Company 本公司現有已發行普通股股本中之持股量概約百分比
Capital Concord (1)	Capital Concord (1)	118,000,000	Beneficial owner 實益擁有人	50.12%
Best Aims Finance Limited ("Best Aims") (1, 2 and 5)	Best Aims Finance Limited (「Best Aims」) (1, 2及5)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%
Harbour Rich Finance Limited ("Harbour Rich") (1, 3 and 6)	Harbour Rich Finance Limited (「Harbour Rich」) (1, 3及6)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Pace Maker Finance Limited ("Pace Maker") (1, 4 and 7)	Pace Maker Finance Limited (「Pace Maker」) (1, 4及7)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%
Mr. Ip Ki Cheung (1, 2, 5 and 8)	葉紀章先生 (1, 2, 5及8)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSABLE UNDER THE SFO (continued)

主要股東與根據證券及期貨條例須予披露之權益 (續)

Long positions in the shares of the Company (continued)

於本公司股份之好倉 (續)

Name	名稱	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage of existing issued ordinary share capital of the Company 本公司現有已發行普通股股本中之持股量概約百分比
Mr. Cheung Shui Kwai (1, 3, 6 and 9)	張瑞貴先生 (1、3、6及9)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Mr. Chan Siu Chung (1, 4, 7 and 10)	陳兆忠先生 (1、4、7及10)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%

Notes:

附註:

- The entire issued share capital of Capital Concord is beneficially owned as to 50% by Best Aims, 30% by Harbour Rich and 20% by Pace Maker.
- The entire issued share capital of Best Aims is beneficially owned by Mr. Ip Ki Cheung.
- The entire issued share capital of Harbour Rich is beneficially owned by Mr. Cheung Shui Kwai.
- The entire issued share capital of Pace Maker is beneficially owned by Mr. Chan Siu Chung.
- These shares are attributable to Best Aims in respect of its 50% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006. Best Aims is deemed to be interested in these 118,000,000 shares under the SFO.
- These shares are attributable to Harbour Rich in respect of its 30% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006.
- These shares are attributable to Pace Maker in respect of its 20% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2006.
- These shares are attributable to Mr. Ip Ki Cheung in respect of his 100% interest in Best Aims. Accordingly, Mr. Ip Ki Cheung is deemed to be interested in the 118,000,000 shares (in which Best Aims is deemed to be interested) under the SFO.
- These shares are attributable to Mr. Cheung Shui Kwai in respect of his 100% interest in Harbour Rich.
- These shares are attributable to Mr. Chan Siu Chung in respect of his 100% interest in Pace Maker.

- Capital Concord之全部已發行股本中，Best Aims實益擁有50%、Harbour Rich實益擁有30%及Pace Maker實益擁有20%。
- Best Aims之全部已發行股本乃由葉紀章先生實益擁有。
- Harbour Rich之全部已發行股本乃由張瑞貴先生實益擁有。
- Pace Maker之全部已發行股本乃由陳兆忠先生實益擁有。
- 該等股份乃屬於Best Aims所有，此乃由於在二零零六年三月三十一日，Best Aims擁有Capital Concord之50%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。根據證券及期貨條例，Best Aims被視為持有該118,000,000股股份之權益。
- 該等股份乃屬於Harbour Rich所有，此乃由於在二零零六年三月三十一日，Harbour Rich擁有Capital Concord之30%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。
- 該等股份乃屬於Pace Maker所有，此乃由於在二零零六年三月三十一日，Pace Maker擁有Capital Concord之20%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。
- 該等股份乃屬於葉紀章先生所有，此乃由於葉紀章先生擁有Best Aims之100%權益。因此，根據證券及期貨條例，葉紀章先生被視為持有118,000,000股股份(Best Aims被視為持有該等股份之權益)之權益。
- 該等股份乃屬於張瑞貴先生所有，此乃由於張瑞貴先生擁有Harbour Rich之100%權益。
- 該等股份乃屬於陳兆忠先生所有，此乃由於陳兆忠先生擁有Pace Maker之100%權益。

REPORT OF THE DIRECTORS

董事會報告

COMPLIANCE WITH CG CODE

The Company is committed to ensuring high standards of corporate governance through the establishment and adoption of good practices and procedures which are in the best interests of the Company and its shareholders. The Company has applied the principles and complied with all code provisions of the CG Code throughout the Period, except for code provisions A.4.1 and A.4.2 details of which is set out in the Corporate Governance Report on pages 26 to 34 of this annual report.

COMPLIANCE WITH MODEL CODE

Details of compliance with the Model Code by directors of the Company is set out in the Corporate Governance Report on page 30 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDIT COMMITTEE

Details of the composition of the Company's Audit Committee and the major work performed by the Committee during the Period is set out in the Corporate Governance Report on pages 31 to 32 of this annual report.

AUDITORS

HLB were appointed as auditors of the Company on 26 July 2004 to fill the vacancy created by the resignation of Charles Chan, Ip & Fung CPA Ltd. on 8 July 2004, which were appointed as auditors of the Company on 17 May 2004 to fill the vacancy created by the resignation of Ernst & Young on 21 April 2004.

The financial statements have been audited by HLB who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB as auditors of the Company is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Ip Ki Cheung
Chairman

Hong Kong
14 July 2006

遵守企業管治守則

本公司承諾透過建立及採納符合本公司及其股東最佳利益之良好常規及程序，以確保高水準之企業管治。本公司已於整個該期間內採用該等原則並遵守企業管治守則之所有守則條文，惟守則條文第A.4.1及A.4.2條除外，其詳情載於本年報第26頁至第34頁之企業管治報告內。

遵守標準守則

本公司董事遵守標準守則之詳情載於本年報第30頁之企業管治報告內。

足夠公眾持股量

於本報告日期，根據本公司已公開可用之資料及就本公司董事所知，本公司已維持足夠公眾持股量。

審核委員會

本公司審核委員會之組成及該委員會所履行之主要工作之詳情載於本年報第31頁至第32頁之企業管治報告內。

核數師

國衛於二零零四年七月二十六日獲委任為本公司之核數師，以填補因陳葉馮會計師事務所有限公司於二零零四年七月八日辭任而產生之空缺。陳葉馮會計師事務所有限公司於二零零四年五月十七日獲委任為本公司之核數師，以填補因安永會計師事務所於二零零四年四月二十一日辭任而產生之空缺。

財務報表已經國衛所審核，國衛即將告退，惟彼符合資格並願膺選連任。就重新委任國衛為本公司核數師之決議案將於即將召開之股東週年大會上呈。

代表董事會

葉紀章
主席

香港
二零零六年七月十四日