

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

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 44 to the financial statements.

## RESULTS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 40.

## PRINCIPAL SUBSIDIARIES AND ASSOCIATES

On 4th July, 2005 the Company was notified by the Hong Kong Companies Registry that the annual return of Gold United International Industries Limited ("Gold United"), a non wholly owned subsidiary of the Company, filed in May 2005 ("May Annual Return") contained information, including members and directors of Gold United, which are incorrect and significantly different from the original annual return that are presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a writ against Mr. Li Jin Fang, Cheng Qing Bo, Huang Jun Tao and Wong Wai Dai (hereinafter collectively referred to as the "Defendants") seeking, amongst others, declarations by the court to effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were the people which purportedly filed the false information to the Hong Kong Companies Registry and/or identified as members and directors in the May Annual Return. Gold United is an investment holding company, which has an 80% direct interest in 杭州恆運交通開發有限公司, which is engaged in the operation of a highway in the People's Republic of China. After taking into consideration the advice of the Group's legal counsel, the directors consider the Group has a 51% effective interest in Gold United and consider that the outcome of the proceedings will not have material adverse financial effect to the Group. Details of the above are set out in the announcement to the shareholders of the Company dated 13th July, 2005. Details of the principal subsidiaries and associates of the Company at 31st March, 2006 are set out in notes 18 and 44, respectively, to the financial statements.

董事會謹此提呈其截至二零零六年三月三十一日止年度之年報及經審核財務報表。

## 主要業務

本公司為投資控股公司，其主要附屬公司之業務列載於財務報表附註44。

## 業績

本集團截至二零零六年三月三十一日止年度之業績列載於第40頁之綜合收益表。

## 主要附屬公司及聯營公司

於二零零五年七月四日，香港公司註冊處通知本公司，本公司非全資附屬公司金聯國際實業有限公司（「金聯」）於二零零五年五月呈交存案之週年申報表（「五月週年申報表」）所載若干資料不正確，其中包括有關金聯股東及董事之資料，該等資料與本集團於二零零五年四月二十九日呈交之原先週年申報表有重大差異。

於二零零五年七月十三日，本公司向Li Jin Fang先生、Cheng Qing Bo先生、Huang Jun Tao先生及Wong Wai Dai先生（以下統稱「被告人」）發出令狀，要求（其中包括）法院宣佈本公司全資附屬公司Winsky Management Limited為金聯已發行股本51%權益之實益擁有人。被告人為據稱向香港公司註冊處呈交錯誤資料存案及／或於五月週年申報表列為股東及董事之人士。金聯為投資控股公司，直接擁有杭州恆運交通開發有限公司80%權益，該公司在中華人民共和國經營高速公路業務。經考慮本集團法律顧問之意見後，董事認為，本集團於金聯擁有51%有效權益，故聆訊結果將不會對本集團帶來嚴重不利財務影響。上述事項詳情載於日期為二零零五年七月十三日致本公司股東之公佈。本公司於二零零六年三月三十一日之主要附屬公司及聯營公司詳情分別載於財務報表附註18及44。

## INVESTMENT PROPERTIES

The Group's investment properties at 31st March, 2006 were revalued by independent firms of professional property valuers on an open market value basis. The revaluation increase of approximately HK\$1,666,000 has been credited to the income statement as a revaluation decrease has previously been charged to income statement. Details of the investment properties of the Group during the year are set out in note 16 to the financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

## SHARE CAPITAL

### Share Subscription Agreement, CB Placing Agreement and CB Subscription Agreements

On 6th January, 2005, the Company entered into (i) a share subscription agreement with an independent third party for the subscription of 530,000,000 new shares in the Company at HK\$0.03 per share ("Share Subscription Agreement"); and (ii) placing and subscription agreements with independent third parties for the placing and subscription of the convertible notes with principal amounts of HK\$31.2 million ("CB Placing Agreement") and HK\$78.0 million ("CB Subscription Agreements"), respectively, convertible into shares of the Company at an initial conversion price of HK\$0.03 each.

The Share Subscription Agreement, CB Placing Agreement and CB Subscription Agreements were approved by the shareholders of the Company on 9th March, 2005, details of which were set out in the circular to the shareholders of the Company dated 21st February, 2005.

The Share Subscription Agreement and CB Placing Agreement were completed on 18th May, 2005.

## 投資物業

本集團於二零零六年三月三十一日之投資物業已經由獨立專業物業估值師行按公開市值基準重估。由於早前已於收益表扣除重估減值，故重估增值約1,666,000港元已計入收益表。本集團於年內之投資物業詳情，列載於財務報表附註16。

## 物業、廠房及設備

本集團物業、廠房及設備於本年度內變動詳情，列載於財務報表附註15。

## 股本

### 股份認購協議、票據配售協議及可換股票據認購協議

於二零零五年一月六日，本公司(i)與獨立第三方就以每股0.03港元認購本公司530,000,000股新股份訂立股份認購協議（「股份認購協議」）；及(ii)與多名獨立第三方就配售及認購本金額分別為31,200,000港元（「票據配售協議」）及78,000,000港元（「票據認購協議」）之可換股票據訂立配售及認購協議。該等可換股票據可按初步轉換價每股0.03港元轉換為本公司股份。

股份認購協議、票據配售協議及票據認購協議已於二零零五年三月九日獲本公司股東批准，有關詳情載於本公司日期為二零零五年二月二十一日致股東之通函。

股份認購協議及票據配售協議已於二零零五年五月十八日完成。

**SHARE CAPITAL** (Continued)

On 14th July, 2005, the Company entered into cancellation agreements with the subscribers of the CB Subscription Agreements, details of which were set out in the announcement to the shareholders of the Company on the same date.

**Capital Reorganization**

By a special resolution passed by the shareholders of the Company on 6th April, 2005, the Company has undertaken a capital reorganization (the "Capital Reorganization"). Pursuant to the Capital Reorganization, (i) every 20 issued shares of HK\$0.01 each in the share capital of the Company were consolidated into 1 issued share of HK\$0.20 each (the "Consolidated Share"); (ii) the issued share capital of the Company was reduced by canceling paid-up capital to the extent of HK\$0.19 on each Consolidated Share in issue so that each Consolidated Share be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company (the "Capital Reduction"); and (iii) the entire credit amount arising from the Capital Reduction be applied to the contributed surplus account of the Company. Details of the Capital Reorganization are set out in the circular of the Company dated 14th March, 2005. The Capital Reorganization became effective on 7th April, 2005.

Details of movements in the share capital of the Company during the year are set out in note 30 to the financial statements

**DIRECTORS**

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

**Executive directors:**

Mr. Dong Bo, Frederic (*Chairman*)  
 Mr. Gao Feng (appointed on 14th February, 2006)  
 Mr. Ma Kwok Hung, Warren (appointed on 24th July, 2006)

Mr. Lau Man Tak (resigned on 5th August, 2005)  
 Mr. Wong Cho Fai, Nicholas (resigned on 5th October, 2005)  
 Mr. Cheung Yu Shum, Jenkin (resigned on 14th February, 2006)

**股本 (續)**

於二零零五年七月十四日，本公司與票據認購協議各認購人訂立註銷協議，詳情載於本公司在同日所刊發致股東之公佈。

**股本重組**

於二零零五年四月六日，本公司進行了一項股本重組（「股本重組」）。根據股本重組，(i)於本公司股本內每20股每股面值0.01港元之已發行股份，合併為1股每股面值0.20港元之已發行股份（「合併股份」）；(ii)本公司透過註銷每股已發行合併股份繳入股本每股0.19港元，致令每股合併股份被視作本公司股本內一股每股面值0.01港元之繳入股份（「削減股本」）；及(iii)削減股本產生之全部進賬金額撥至繳入盈餘賬。股本重組之詳情列載於本公司日期為二零零五年三月十四日之通函中。股本重組於二零零五年四月七日生效。

年內本公司之股本變動詳情列載於財務報表附註30。

**董事**

於本年度內及直至本報告書日期止，本公司之在任董事如下：

**執行董事：**

董波先生（主席）  
 高峰先生（於二零零六年二月十四日獲委任）  
 馬國雄先生（於二零零六年七月二十四日獲委任）  
 劉文德先生（於二零零五年八月五日辭任）  
 黃祖輝先生（於二零零五年十月五日辭任）  
 張如深先生（於二零零六年二月十四日辭任）

## DIRECTORS (Continued)

### Non-executive directors:

Mr. Ting Leung Huel, Stephen  
(appointed on 30th April, 2006 and resigned on 29th May, 2006)

### Independent non-executive directors:

Mr. Zuo Guang  
Mr. Pang Haiou  
Mr. Wong Hoi Kuen, Edmund (appointed on 13th February, 2006)  
Mr. Chan Chi Yuen (appointed on 30th April, 2006)  
Mr. Chow Siu Ngor (appointed on 30th April, 2006)  
Mr. Fung Bo Chuen (appointed on 17th March, 2006 and resigned on 30th April, 2006)  
Mr. Henry Tooze (appointed on 17th March, 2006 and resigned on 30th April, 2006)  
Mr. Kan Kwok Shu (resigned on 1st September, 2005)  
Mr. Shum Ka Hei (resigned on 13th February, 2006)

In accordance with Clause 86.(2) of the Company's bye-laws, Mr. Gao Feng, Mr. Ma Kwok Hung, Warren, Mr. Wong Hoi Kuen, Edmund, Mr. Chan Chi Yuen and Mr. Chow Siu Ngor will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Bye-law 87.(2), Mr. Dong Bo, Frederic will retire by rotation at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

## 董事 (續)

### 非執行董事:

丁良輝先生  
(於二零零六年四月三十日獲委任  
並於二零零六年五月二十九日辭任)

### 獨立非執行董事:

左廣先生  
龐海歐先生  
黃海權先生 (於二零零六年二月十三日獲委任)  
陳志遠先生 (於二零零六年四月三十日獲委任)  
鄒小岳先生 (於二零零六年四月三十日獲委任)  
馮報全先生 (於二零零六年三月十七日獲委任  
並於二零零六年四月三十日辭任)  
Henry Tooze先生 (於二零零六年三月十七日  
獲委任並於二零零六年四月三十日辭任)  
簡國樞先生 (於二零零五年九月一日辭任)  
沈家禧先生 (於二零零六年二月十三日辭任)

根據本公司之公司細則第86.(2)條，高峰先生、馬國雄先生、黃海權先生、陳志遠先生及鄒小岳先生將於應屆股東週年大會退任，惟彼等合資格並願意膺選連任。

根據本公司之公司細則第87.(2)條，董波先生將於應屆股東週年大會告退，惟彼合資格並願意膺選連任。

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2006, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Name of director	Type of interest	Number of issued ordinary shares held (Note) 所持已發行普通股數目 (附註)	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
<b>Long position</b>			
<b>好倉</b>			
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417	14.67%

Note: United Jumbo Limited ("United Jumbo"), which directly own 51,523,417 shares in the Company, is beneficially wholly-owned by Mr. Dong Bo, Frederic.

附註：United Jumbo Limited (「United Jumbo」) 直接持有 51,523,417 股本公司股份，其由董波先生實益全資擁有。

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as at 31st March, 2006.

除上文披露者外，於二零零六年三月三十一日，董事或彼等之聯繫人士概無於本公司或其任何相聯法團之股份、相關股份及債權證中擁有任何權益或淡倉。

## SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 31 to the financial statements.

## 購股權計劃

本公司之購股權計劃詳情，載於財務報表附註 31。

No share options were granted, lapsed or cancelled during the year ended 31st March, 2006. There were no outstanding share options at 31st March, 2006.

截至二零零六年三月三十一日止年度，並無授出、失效或撤銷購股權。於二零零六年三月三十一日並無未獲行使購股權。

On 5th June, 2006, the Company granted 14,040,000 share options to consultants of the Group at the exercise price of HK\$0.27 per share.

於二零零六年六月五日，本公司按行使價每股 0.27 港元向本集團之顧問授出 14,040,000 份購股權。

**DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

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.

**SUBSTANTIAL SHAREHOLDERS**

At 31st March, 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the share capital of the Company:

**董事購買股份或債務證券之權利**

除上文披露者外，本公司或其任何附屬公司於本年度內均無參與任何安排，致令本公司董事可藉收購本公司或任何其他法人團體之股份或債權證而獲益。

**主要股東**

於二零零六年三月三十一日，按本公司根據證券及期貨條例336條存置之主要股東登記冊所示，下列股東已知會本公司彼等於本公司股本中之相關利益：

Name of shareholder	Type of interest	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東名稱／姓名	權益類別		
<b>Long position</b> Ordinary shares at HK\$0.01 each	好倉 每股面值0.01港元之普通股		
Lam Kwan Sing	Held by controlled corporation 由受控法團持有	54,000,000 (Note 1) (附註1)	15.38%
Peakhill Investment Limited	Beneficial owner 實益擁有人	54,000,000 (Note 1) (附註1)	15.38%
United Jumbo Limited	Beneficial owner 實益擁有人	51,523,417	14.67%
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417	14.67%
Ma Siu Fong 馬少芳	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	14.43%
Chu Yuet Wah 朱月華	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	14.43%
Kingston Finance Limited 金利豐財務有限公司	Beneficial owner 實益擁有人	50,684,517 (Note 2) (附註2)	14.43%
Hu Die Fei	Beneficial owner 實益擁有人	22,276,500	6.11%
Willplus Assets Limited	Beneficial owner 實益擁有人	26,500,000 (Note 3) (附註3)	7.55%
Wong Cho Fai, Nicholas 黃祖輝	Held by controlled corporation 由受控法團持有	26,500,000 (Note 3) (附註3)	7.55%

**SUBSTANTIAL SHAREHOLDERS** (Continued)

主要股東 (續)

Name of shareholder	Type of interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱／姓名	權益類別	所持已發行普通股數目	佔本公司已發行股本百分比
Interpool Holdings Limited	Beneficial owner 實益擁有人	21,450,000 (Note 4) (附註4)	6.11%
Cheung Yu Shum, Jenkin 張如深	Held by controlled corporation 由受控法團持有	21,450,000 (Note 4) (附註4)	6.11%

Notes:

附註:

1. Peakhill Investments Limited, which directly own 54,000,000 shares in the Company, is beneficially wholly owned by Mr. Lam Kwan Sing and, accordingly, Mr. Lam Kwan Sing is deemed to be interested in 54,000,000 shares in the Company.
2. Kingston Finance Limited ("Kingston"), which directly own 50,684,517 shares in the Company, is beneficially owned as to 51% and 49% by Ms. Chu Yuet Wah and Ms. Ma Siu Fong, respectively. Accordingly, Ms. Chu Yuet Wah and Ms. Ma Siu Fong are deemed to be interest in the shares held by Kingston.
3. Willplus Assets Limited, which directly own 26,500,000 shares in the Company, is beneficially wholly owned by Mr. Wong Cho Fai, Nicholas and, accordingly, Mr. Wong Cho Fai, Nicholas is deemed to be interested in 26,500,000 shares in the Company.
4. Interpool Holdings Limited, which directly own 21,450,000 shares in the Company, is beneficially wholly owned by Mr. Cheung Yu Shum, Jenkin and, accordingly, Mr. Cheung Yu Shum, Jenkin is deemed to be interested in 21,450,000 shares in the Company.

1. Peakhill Investments Limited直接擁有本公司54,000,000股股份，而其由Lam Kwan Sing先生實益全資擁有。因此，Lam Kwan Sing先生被視為於本公司54,000,000股股份中擁有權益。
2. 金利豐財務有限公司(「金利豐」)直接擁有本公司50,684,517股股份，而其分別由朱月華女士及馬少芳女士實益擁有51%及49%權益。因此，朱月華女士及馬少芳女士被視為於金利豐所持股份擁有權益。
3. Willplus Assets Limited, 直接擁有本公司26,500,000股股份，而其由黃祖輝先生實益全資擁有。因此，黃祖輝先生被視為本公司26,500,000股股份中擁有權益。
4. Interpool Holdings Limited直接擁有本公司21,450,000股股份，而其由張如深先生實益全資擁有。因此，張如深先生被視為於本公司21,450,000股股份中擁有權益。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March, 2006.

除上文披露者外，截至二零零六年三月三十一日，本公司並無獲悉任何其他於本公司已發行股本之相關權益或淡倉。

## CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

During the year, Prosper City International Limited ("Prosper City"), a non-wholly owned subsidiary of the Company, paid approximately HK\$220,000 to Kohner Limited ("Kohner") in respect of rental for premises. Kohner is the minority shareholder of Prosper City. The transaction constituted a continuing connected transaction pursuant to Chapter 14 of the Listing Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The independent non-executive directors confirm that the transactions have been entered into by the Group in the ordinary course of its business, on terms no less favourable than terms available with independent third parties, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Other than as disclosed above, no other 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.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers were less than 30% of the Group's turnover for the year. The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's purchases for the year.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## 關連交易及董事之重大合約權益

本年度內，本公司非全資附屬公司盛港國際有限公司（「盛港」）就物業租金，向Kohner Limited（「Kohner」）支付約220,000港元。Kohner為盛港之少數股東。根據聯交所證券上市規則（「上市規則」）第14章，是項交易構成持續關連交易。

獨立非執行董事確認，該等交易乃本集團於其日常業務過程中，按不遜於獨立第三方提供之條款，且按照監管該等交易而屬公平合理之協議條款訂立，並符合本公司股東整體利益。

除上文披露者外，於本年度結束時或本年度內任何時間，本公司各董事概無於本公司或其任何附屬公司當時生效之其他重要合約中直接或間接擁有重大權益。

## 主要客戶及供應商

於本年度內，本集團首五大客戶所佔營業額合共少於本集團本年度營業額30%。於本年度內，本集團首五大供應商所佔採購額合共少於本集團採購總額30%。

## 購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。



## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the board of directors on the basis of their merit, qualifications and competence. The emoluments of the directors of the Company are decided by the board of directors, as authorised by the shareholders at the annual general meeting, having regard to the Group'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 which are set out in note 31 to the financial statements.

## 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 existing shareholders.

## CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 11 to 24.

## SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2006.

## POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 42 to the financial statements.

## 薪酬政策

本集團僱員之薪酬政策乃由董事會按彼等之功績、資歷及才能制定。本公司董事之薪酬，乃由董事會按股東於股東週年大會所授權，經計及本集團營運業績、個人表現及可資比較市場數據後決定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵，詳情載於財務報表附註31。

## 優先購買權

本公司之公司細則或百慕達法例均無優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

## 企業管治

本公司致力維持高水平之企業管治常規。關於本公司採納之企業管治常規列載於第11至24頁之企業管治報告書中。

## 充足公眾持股量

本公司於截至二零零六年三月三十一日止年度一直維持充足公眾持股量。

## 結算日後事項

於結算日後發生之重大事項詳情，載於財務報表附註42。

**AUDITORS**

Deloitte Touche Tohmatsu resigned as auditors of the Company on 7th June, 2006. Messrs. Ting Ho Kwan & Chan were appointed subsequently on 27th June, 2006. Messrs. Ting Ho Kwan & Chan retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Ting Ho Kwan & Chan as auditors of the Company.

On behalf of the Board

**Dong Bo, Frederic**  
*Chairman*

Hong Kong, 27th July, 2006

**核數師**

德勤•關黃陳方會計師行自二零零六年六月七日起辭任本公司之核數師，其後丁何關陳會計師行於二零零六年六月二十七日獲委任為本公司核數師。丁何關陳會計師行將予告退，並合資格且願意膺選連任。股東週年大會上將提呈一項決議案續聘丁何關陳會計師行為本公司核數師。

代表董事會

**主席**  
**董波**

香港，二零零六年七月二十七日