

The directors have pleasure in presenting their annual report and the audited consolidated financial statements for the year ended 31 March 2006.

## Principal Activities

The Company is an investment holding company.

The activities of its principal subsidiaries, associates and jointly controlled entities as at 31 March 2006 are set out in note 53 to the consolidated financial statements.

## Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31 March 2006 are set out in the consolidated income statement on page 74 of the annual report and in the accompanying notes to the consolidated financial statements.

An interim dividend of HK1.5 cents per share amounting to HK\$20,513,000 was paid to the shareholders during the year. In addition, the directors resolved the payment of a special cash dividend of HK70 cents per share to shareholders whose names appeared on the register of member on 8 July 2005, amounting to a total sum of approximately HK\$957,177,000. The directors further recommended for shareholders' approval the payment of a final dividend of HK1.5 cents per share in cash with a scrip option to shareholders whose names appear on the register of members on 15 September 2006, amounting to a total sum of approximately HK\$21,969,000. Details of the dividends are set out in note 15 to the consolidated financial statements.

## Major Customers and Suppliers

For the year ended 31 March 2006, the five largest customers and the single largest customer of the Group accounted for approximately 63% and 23% of the turnover of the Group, respectively. The aggregate purchases attributable to the five largest suppliers of the Group during the year were less than 30% of the purchases of the Group.

As far as the directors are aware, none of the directors, their associates, within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), or those shareholders which to the knowledge of the directors own more than 5% of the Company's share capital, have an interest in any of the five largest customers of the Group for the year ended 31 March 2006.

董事局欣然提呈截至二零零六年三月三十一日止年度之年報及經審核綜合財務報表。

## 主要業務

本公司為一間投資控股公司。

本公司各主要附屬公司、聯營公司及共同控制機構於二零零六年三月三十一日之業務載列於綜合財務報表附註53。

## 業績及利潤分配

截至二零零六年三月三十一日止年度本集團之業績及本公司之利潤分配載列於本年報第74頁綜合收益表及連帶之綜合財務報表附註。

年內已派發予股東之每股1.5港仙中期股息，合共派息20,513,000港元。此外，董事已議決向二零零五年七月八日名列本公司股東名冊之股東派付特別現金股息每股70港仙，合共派息約957,177,000港元。董事亦建議股東批准派發每股1.5港仙末期股息（以現金方式連同以股代息選擇權）予於二零零六年九月十五日名列股東名冊之股東，合共派息約21,969,000港元。股息詳情載列於綜合財務報表附註15。

## 主要客戶及供應商

於截至二零零六年三月三十一日止年度內，本集團之五大客戶及單一最大客戶分別佔本集團營業額約63%及23%。本集團之五大供應商年內合共佔本集團之購貨量並不超逾本集團購貨量之30%。

就董事所知，概無董事、彼等之聯繫人士（按香港聯合交易所有限公司證券上市規則（「上市規則」）界定）或據董事所知擁有本公司股本逾5%之股東於截至二零零六年三月三十一日止年度在本集團五大客戶其中任何一家中擁有權益。

### Liquidity and Capital Resources

The Group currently maintains a variety of credit facilities to meet its working capital requirements. As at 31 March 2006, the Group's total borrowings amounted to approximately HK\$688,222,000 with approximately HK\$523,597,000 repayable within one year, approximately HK\$164,625,000 repayable more than one year. Cash, bank balances and deposits as at 31 March 2006 amounted to approximately HK\$784,660,000. The Group's current ratio was 1.7 and the net cash to equity ratio was 0.1 as at 31 March 2006.

### Property, Plant and Equipment

During the year, the Group spent approximately HK\$14,580,000 on property, plant and equipment to expand and upgrade its operating capacity.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

### Investment Properties

The investment properties of the Group were disposed of during the year ended 31 March 2006.

Details of these and other movements in the investment properties of the Group during the year are set out in note 18 to the consolidated financial statements.

### Share Capital

Details of movements in the issued share capital of the Company during the year are set out in note 40 to the consolidated financial statements.

### 流動資金及資本來源

本集團現時設有多項融資信貸額以應付其營運資金所需。於二零零六年三月三十一日，本集團之借款總額約達688,222,000港元，其中約523,597,000港元須於一年內償還，約164,625,000港元須於一年後償還。於二零零六年三月三十一日，現金、銀行結存及存款約達784,660,000港元。於二零零六年三月三十一日，本集團之流動比率為1.7，而淨現金與資本比率則為0.1。

### 物業、機械與設備

於本年內，本集團動用約14,580,000港元購置物業、機械與設備，以擴展及提升經營能力。

上述及本集團年內之物業、機械與設備之其他變動詳情載列於綜合財務報表附註17。

### 投資物業

本集團之投資物業已於截至二零零六年三月三十一日止年度內出售。

上述及年內本集團投資物業之其他變動詳情載列於綜合財務報表附註18。

### 股本

年內本公司已發行股本之變動詳情載列於綜合財務報表附註40。

## Share Incentive Schemes

### 1. Share Option Scheme

Particulars of the Company's share option scheme adopted on 27 August 2002 (the "Share Option Scheme") are set out in note 41 to the consolidated financial statements.

Details of the share options granted under the Share Option Scheme to certain directors/former directors of the Company to subscribe for shares in the Company are as follows:

Name of director/ former director*	Date of grant	Exercisable period	Exercise price per share	Outstanding as at 1.4.2005 於 1.4.2005 尚未行使	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31.3.2006 於 31.3.2006 尚未行使
董事／前董事姓名*	授出日期	行使期	每股 行使價 HK\$ 港元		於年內 授出	於年內 行使	於年內 失效	
Chow Ming Kuen, Joseph 周明權	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	-	-	-	650,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	-	-	-	650,000
Lau Ko Yuen, Tom 劉高原	28.12.2004	28.12.2004 – 26.08.2012	1.24	6,500,000	-	-	-	6,500,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	6,500,000	-	-	-	6,500,000
Kwok Shiu Keung, Ernest 郭少強	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	-	-	-	650,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	-	-	-	650,000
Chan Shu Kin 陳樹堅	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	-	-	-	650,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	-	-	-	650,000
Chan Fut Yan* 陳佛恩*	28.12.2004	28.12.2004 – 26.08.2012	1.24	6,500,000	-	-	-	6,500,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	6,500,000	-	-	-	6,500,000
Chau Mei Wah, Rosanna* 周美華*	28.12.2004	28.12.2004 – 26.08.2012	1.24	6,500,000	-	-	-	6,500,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	6,500,000	-	-	-	6,500,000
Cheung Ting Kau, Vincent* 張定球*	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	-	-	-	650,000
	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	-	-	-	650,000
				44,200,000	-	-	-	44,200,000

The exercise prices of HK\$1.24 and HK\$1.50 set out above were the reduced exercise prices of the subject options duly approved by shareholders in a special general meeting held on 14 February 2006.

As at the date of this report, the above share options granted under the Share Option Scheme to certain existing directors of the Company in respect of a total of 15,600,000 underlying shares of the Company remain outstanding, representing 1.07% of the issued share capital of the Company (i.e. 1,464,579,910 shares) on that date.

## 股份獎賞計劃

### 1. 購股權

有關本公司於二零零二年八月二十七日採納之購股權計劃（「購股權計劃」）之詳情載於綜合財務報表附註41。

根據購股權計劃授予本公司若干董事／前任董事可認購本公司股份之購股權之變動如下表披露：

上述所載1.24港元及1.50港元之行使價乃為股東於二零零六年二月十四日舉行之股東特別大會上正式批准該等購股權之已下調行使價。

於本報告日期，以上根據購股權計劃授予本公司若干現任董事之尚未行使購股權涉及共15,600,000股本公司相關股份，佔本公司於該日之已發行股本（即1,464,579,910股股份）的1.07%。

### Share Incentive Schemes – continued

#### 1. Share Option Scheme – continued

Details of share options granted to employees of the Group in Hong Kong and Mainland during the year were as follows:

Grant date 授出日期	6.2.2006				24.3.2006				Total 合計
	1.780	2.500	3.000	3.500	2.325	2.500	3.000	3.500	
Exercise price (HK\$) 行使價(港元)	1.780	2.500	3.000	3.500	2.325	2.500	3.000	3.500	
Option period (Year) 購股權有效期(年)	1	2	3	4	0.87	1.87	2.87	3.87	
Exercise period 行使期	6.2.2006 – 5.2.2007	6.2.2007 – 5.2.2008	6.2.2008 – 5.2.2009	6.2.2009 – 5.2.2010	24.3.2006 – 5.2.2007	6.2.2007 – 5.2.2008	6.2.2008 – 5.2.2009	6.2.2009 – 5.2.2010	
Number of options granted to employees in: 已授出購股權數目予僱員於:									
Hong Kong 香港	3,500,000	3,500,000	3,500,000	3,500,000	-	-	-	-	14,000,000
PRC 中國	4,825,000	4,825,000	4,825,000	4,825,000	3,000,000	3,000,000	3,000,000	3,000,000	31,300,000
	8,325,000	8,325,000	8,325,000	8,325,000	3,000,000	3,000,000	3,000,000	3,000,000	45,300,000

During the year, an aggregate of 14,000 options in respect of 14,000 shares of the Company were exercised.

#### 2. New Share Award Scheme

This new scheme, adopted by the Company on 23 February 2006, allows the Company to make bonus payments to eligible persons (including employees, directors, consultant advisers and agents of the Group) by way of the Company's shares acquired by and held through an independent trustee until fulfillment of conditions before vesting.

During the year, a total of 1,052,000 shares of the Company were awarded to 70 employees (including 120,000 shares to Mr Lau Ko Yuen, Tom, the Deputy Chairman and Managing Director) under the scheme. These shares, subject to a vesting period until 1 August 2006, are being held by the trustee, BOCI-Prudential Trustee Limited.

#### 3. New Share Financing Plan

This new plan, adopted by the Company on 14 February 2006, allows eligible persons (including employees, directors, consultant advisers and agents of the Group) to borrow funds from the Company to acquire new or old PYI shares on a non-recourse basis with the subject shares pledged to the Company as security subject always to connected transaction and other relevant provisions under the Listing Rules.

During the year, no financing to employees has been provided by the Group under this plan.

### 股份獎賞計劃 – 續

#### 1. 購股權 – 續

年內授予本集團之香港及中國大陸僱員之購股權詳情如下：

年內，有關14,000股本公司股份之14,000份購股權已予行使。

#### 2. 新股份獎勵計劃

根據本公司於二零零六年二月二十三日採納之新股份獎勵計劃，本公司可向合資格人士(包括本集團之僱員、董事、諮詢顧問及代理)以本公司股份的形式派發花紅，此等股份將由一名獨立受託人購入及持有直至歸屬條件達成為止。

年內已根據該計劃向70位僱員獎授合共1,052,000股本公司之股份(包括授予副主席兼董事總經理劉高原先生之120,000股本公司之股份)，該等股份由受託人中銀國際英國保誠信託有限公司所持有，直至二零零六年八月一日歸屬期為止。

#### 3. 新股份融資計劃

根據本公司於二零零六年二月十四日採納之新計劃，合資格人士(包括本集團之僱員、董事、諮詢顧問及代理)可按無追溯方式向本公司借款以認購新或舊保華股份，而將此等股份抵押本公司作為保證，惟須符合關連交易及其他上市規則之相關規定。

年內，本集團並無根據此計劃向僱員提供任何融資。

## Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 March 2006 comprised the accumulated profits of HK\$1,505,813,000 (2005: HK\$290,182,000).

## Directors

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

### Executive directors

Lau Ko Yuen, Tom (*Deputy Chairman & Managing Director*)

Chan Fut Yan (*retired on 8 September 2005*)

Chau Mei Wah, Rosanna (*retired on 8 September 2005*)

Cheung Hon Kit (*retired on 8 September 2005*)

### Non-executive directors

Chan Kwok Keung, Charles (*re-designated as non-executive director on 22 July 2005*)

Cheung Ting Kau, Vincent (*retired on 8 September 2005*)

### Independent non-executive directors

Chow Ming Kuen, Joseph (*Chairman*)

Kwok Shiu Keung, Ernest

Chan Shu Kin

In accordance with Clauses 87(1) and 87(2) of the Company's bye-laws, Dr Chan Kwok Keung, Charles and Mr Kwok Shiu Keung, Ernest will retire by rotation and, both being eligible, stand for re-election at the forthcoming annual general meeting.

Non-executive directors are subject to retirement by rotation requirements under the Company's bye-laws, and they are appointed for a specific term of not more than three years.

## Directors' Service Contracts

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

## 本公司之可供分配予股東之儲備

於二零零六年三月三十一日，可供分派予股東之本公司儲備包括累計溢利1,505,813,000港元(二零零五年：290,182,000港元)。

## 董事

年內及截至本報告日期止，本公司之董事如下：

### 執行董事

劉高原 (*副主席兼董事總經理*)

陳佛恩 (*於二零零五年九月八日退任*)

周美華 (*於二零零五年九月八日退任*)

張漢傑 (*於二零零五年九月八日退任*)

### 非執行董事

陳國強 (*於二零零五年七月二十二日調任為非執行董事*)

張定球 (*於二零零五年九月八日退任*)

### 獨立非執行董事

周明權 (*主席*)

郭少強

陳樹堅

根據本公司之公司細則第87(1)條及87(2)條，陳國強博士及郭少強先生於即將舉行之股東週年大會上輪席退任，並符合資格膺選連任。

非執行董事須根據本公司細則輪席退任，其指定任期不得多於三年。

## 董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事並無與本集團訂立本集團於一年內不可無須補償(法定補償除外)而終止之服務合約。

## Directors' Report

### Directors' and Chief Executive's Interests and 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 in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under section 352 of the 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") in the Listing Rules were as follows:

Interests and short positions in the shares, underlying shares and debentures of the Company:

#### (1) Shares of the Company

Name of director/ chief executive	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of the then existing issued share capital of the Company 佔本公司當時 現有已發行股本 概約百分比
董事／主要 行政人員姓名	身份	好倉／淡倉	持有本公司 股份數目	
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup> Beneficial owner 實益擁有人	Long position 好倉	399,859,768	29.00%
		Long position 好倉	11,840,896	0.86%
Lau Ko Yuen, Tom 劉高原	Beneficiary of a trust 信託受益人	Long position 好倉	120,000	0.009%

Note:

1. Dr Chan Kwok Keung, Charles was deemed to be interested in 399,859,768 shares in the Company by virtue of his shareholding in Chinaview International Limited ("Chinaview"). Galaxyway Investments Limited ("Galaxyway"), a wholly-owned subsidiary of Chinaview, owned approximately 34.79% of the issued ordinary share capital of ITC Corporation Limited ("ITC") which in turn owned the entire issued share capital of ITC Investment Holdings Limited ("ITC Investment"). Hollyfield Group Limited ("Hollyfield"), a wholly-owned subsidiary of ITC Investment, owned these shares.

### 董事及主要行政人員於證券、相關股份及債券之權益及淡倉

於二零零六年三月三十一日，本公司董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第十五部)之股份、相關股份及債券中持有必須列入根據證券及期貨條例第352條予以存置之本公司登記冊內或根據上市規則中上市公司董事進行證券及交易的標準守則(「標準守則」)必須向本公司及香港聯交所申報之權益及淡倉如下：

本公司股份、相關股份及債券之權益及淡倉：

#### (1) 本公司之股份

附註：

1. 陳國強博士由於擁有Chinaview International Limited (「Chinaview」)之股權而被視為擁有本公司399,859,768股股份。Chinaview之全資附屬公司Galaxyway Investments Limited (「Galaxyway」)擁有德祥企業集團有限公司(「德祥企業」)已發行普通股股本約34.79%，而德祥企業繼續擁有ITC Investment Holdings Limited (「ITC Investment」)全部已發行股本。ITC Investment之全資附屬公司Hollyfield Group Limited (「Hollyfield」)則擁有該等股份。

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures – continued

### (2) Options to subscribe for shares of the Company

Name of director	Date of grant	Exercisable period	Exercise price per share	Number of underlying shares comprised in the options	Approximate percentage of the then existing issued share capital of the Company
董事姓名	授出日期	行使期	每股行使價 HK\$ 港元	購股權涉及之相關股份數目	佔本公司當時現有已發行股本概約百分比
Chow Ming Kuen, Joseph	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
周明權	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%
Lau Ko Yuen, Tom	28.12.2004	28.12.2004 – 26.08.2012	1.24	6,500,000	0.471%
劉高原	28.12.2004	28.12.2004 – 26.08.2012	1.50	6,500,000	0.471%
Kwok Shiu Keung, Ernest	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
郭少強	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%
Chan Shu Kin	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
陳樹堅	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%

Save as disclosed above, as at 31 March 2006, none of the directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company 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.

## 董事及主要行政人員於證券、相關股份及債券之權益及淡倉一續

### (2) 認購本公司股份之購股權

Name of director	Date of grant	Exercisable period	Exercise price per share	Number of underlying shares comprised in the options	Approximate percentage of the then existing issued share capital of the Company
董事姓名	授出日期	行使期	每股行使價 HK\$ 港元	購股權涉及之相關股份數目	佔本公司當時現有已發行股本概約百分比
Chow Ming Kuen, Joseph	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
周明權	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%
Lau Ko Yuen, Tom	28.12.2004	28.12.2004 – 26.08.2012	1.24	6,500,000	0.471%
劉高原	28.12.2004	28.12.2004 – 26.08.2012	1.50	6,500,000	0.471%
Kwok Shiu Keung, Ernest	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
郭少強	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%
Chan Shu Kin	28.12.2004	28.12.2004 – 26.08.2012	1.24	650,000	0.047%
陳樹堅	28.12.2004	28.12.2004 – 26.08.2012	1.50	650,000	0.047%

除上文所披露者外，於二零零六年三月三十一日，各董事或本公司主要行政人員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十五部)之股份、相關股份或債券中擁有任何必須列入根據證券及期貨條例第352條予以存置之本公司登記冊內或根據標準守則必須向本公司及聯交所申報之權益及淡倉。

## Directors' Report

### Directors' Interests in Competing Businesses

Interests of directors of the Company in competing businesses at 31 March 2006 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Name of director 董事姓名	Name of company 公司名稱	Nature of competing business 競爭業務之性質	Nature of interest 權益性質
Chan Kwok Keung, Charles 陳國強	China Strategic Holdings Limited ("China Strategic") and its subsidiaries 中策集團有限公司 (「中策」)及其附屬公司	Property business in Mainland China 中國之地產業務	As the Chairman and chief executive officer of China Strategic* 為中策之主席、行政總裁*
	Hanny Holdings Limited ("Hanny") and its subsidiaries 錦興集團有限公司 (「錦興」)及其附屬公司	Property investment in Hong Kong 香港之地產投資	As the Chairman, an executive director and substantial shareholder of Hanny 為錦興之主席、執行董事 及主要股東

\* Dr Chan Kwok Keung, Charles resigned as a director of China Strategic on 16 June 2006.

The changes in details of the directors' interests in competing businesses previously disclosed in the annual report of the Company for the year ended 31 March 2005 (the "Annual Report 2005") were set out below:

During the year, Hanny ceased its business of property investment in Mainland China as disclosed in the Annual Report 2005 but commenced the business of property investment in Hong Kong instead.

Having considered the nature, size and scope of the above businesses, the directors of the Company believe that there is unlikely to be any realistic competition with the businesses of the Group.

Save as disclosed above, none of the directors of the Company is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly and indirectly, with the businesses of the Group.

### 董事於競爭業務之權益

下述為本公司董事根據上市規則第8.10條須作披露彼等於二零零六年三月三十一日在競爭業務之權益：

\* 陳國強博士於二零零六年六月十六日辭任中策董事。

先前於截至二零零五年三月三十一日止年度之本公司年報(「二零零五年年報」)披露董事於競爭業務權益之變動詳情如下：

誠如二零零五年度年報所作之披露，錦興已於年內終止其於中國之物業投資業務，惟開展其於香港之物業投資業務。

經考慮上述業務之性質、範圍及規模後，本公司董事認為，有關業務不大可能與本集團之業務構成任何實際競爭。

除上文所披露者外，如不計本集團業務，本公司各董事概無在任何直接或間接與本集團業務構成競爭或可能構成競爭之業務擁有任何權益。



## Directors' Interests in Contracts of Significance

Save as disclosed under the section headed "Connected Transactions" below, 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.

## Connected Transactions

During the year, the Group entered into the following connected transactions, details of which are required to be set out pursuant to rule 14A.45 of the Listing Rules as below:

## 董事於重要合約中之權益

除下文「關連交易」一節所披露者外，本公司各董事在本公司或其任何附屬公司於本年度結算日或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。

## 關連交易

本集團於年內進行下述關連交易，根據上市規則第14A.45條所須資料詳情如下：

Transaction date	Parties to the transaction	Connected person	Description of connected relationship	Description of transaction & purpose	Total consideration	Nature and extent of connected person's interest
交易日期	交易各方	關連人士	關連關係的描述	交易及目的之簡述	總代價 HK\$'000 千港元	關連人士所佔利益的性質及程度
19.1.2006	如東縣東泰社會發展投資 有限責任公司 as vendor Glory Well Limited as purchaser 如東縣東泰社會發展投資 有限責任公司作為賣方 創華有限公司 作為買方	如東縣東泰社會發展投資 有限責任公司	A substantial shareholder of certain subsidiaries of the Company 本公司若干附屬公司 之主要股東	Acquisition of an additional 15% equity interest in two non-wholly owned subsidiaries 增購兩間非全資附屬公司之15%股本權益	34,920	Direct interest (100%) 直接利益 (100%)
27.1.2006	PYI Management Group Limited as vendor ITC Management Group Limited as purchaser PYI Management Group Limited 作為賣方 ITC Management Group Limited 作為買方	ITC Management Group Limited	A wholly owned subsidiary of ITC, a substantial shareholder of the Company; Dr Chan Kwok Keung, Charles (a non-executive director of the Company) and certain former directors of the Company including Mr Chan Fut Yan, Ms Chau Mei Wah, Rosanna and Mr Cheung Hon Kit are also directors of ITC. 本公司主要股東德祥企業全資附屬公司； 陳國強博士(本公司之非執行董事)以及若干 本公司前董事包括陳佛恩先生、周美華女士及 張漢傑先生均同時擔任德祥企業之董事	Disposal of motor vehicles, vehicle registration numbers and club membership 出售汽車、車輛登記號碼及會籍	3,500	Indirect interest (100%) 間接利益 (100%)

### Interests and Short Positions of Substantial Shareholders/Other Persons Recorded in the Register Kept under Section 336 of the SFO

As at 31 March 2006, so far as is known to the directors and the chief executive of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

- (1) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company:

Name of shareholder	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of the then existing issued share capital of the Company 佔本公司當時現有已發行股本概約百分比
股東姓名	身份	好倉／淡倉	持有本公司股份數目	
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
	Beneficial owner 實益擁有人	Long position 好倉	11,840,896	0.86%
Ng Yuen Lan, Macy 伍婉蘭	Interest of spouse <sup>1</sup> 配偶權益 <sup>1</sup>	Long position 好倉	411,700,664	29.86%
Chinaview	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
Galaxyway	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
ITC 德祥企業	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
ITC Investment	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
Hollyfield	Beneficial owner <sup>1</sup> 實益擁有人 <sup>1</sup>	Long position 好倉	399,859,768	29.00%

Note:

1. Hollyfield, a wholly-owned subsidiary of ITC Investment, which was, in turn, a wholly-owned subsidiary of ITC, owned 399,859,768 shares in the Company. Galaxyway, a wholly-owned subsidiary of Chinaview, owned 34.79% of the issued ordinary share capital of ITC. Dr Chan Kwok Keung, Charles owned the entire issued share capital of Chinaview. ITC Investment was deemed to be interested in the said 399,859,768 shares in the Company held by Hollyfield. Ms Ng Yuen Lan, Macy, the spouse of Dr Chan Kwok Keung, Charles, was deemed to be interested in the said 399,859,768 shares in the Company held by Hollyfield and 11,840,896 shares in the Company held directly by Dr Chan Kwok Keung, Charles.

### 列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益

於二零零六年三月三十一日，據本公司董事及主要行政人員所知，下列主要股東／其他人士於本公司股份及相關股份中擁有必須列入根據證券及期貨條例第336條予以存置之登記冊內之權益及淡倉：

- (1) 主要股東於本公司股份及相關股份之權益及淡倉：

Name of shareholder	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of the then existing issued share capital of the Company 佔本公司當時現有已發行股本概約百分比
股東姓名	身份	好倉／淡倉	持有本公司股份數目	
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
	Beneficial owner 實益擁有人	Long position 好倉	11,840,896	0.86%
Ng Yuen Lan, Macy 伍婉蘭	Interest of spouse <sup>1</sup> 配偶權益 <sup>1</sup>	Long position 好倉	411,700,664	29.86%
Chinaview	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
Galaxyway	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
ITC 德祥企業	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
ITC Investment	Interest of controlled corporation <sup>1</sup> 受控制法團權益 <sup>1</sup>	Long position 好倉	399,859,768	29.00%
Hollyfield	Beneficial owner <sup>1</sup> 實益擁有人 <sup>1</sup>	Long position 好倉	399,859,768	29.00%

附註：

1. ITC Investment之全資附屬公司Hollyfield擁有399,859,768股本公司股份，而ITC Investment則為德祥企業之全資附屬公司。Chinaview之全資附屬公司Galaxyway擁有34.79%德祥企業已發行普通股本。陳國強博士擁有Chinaview全部已發行股本。故此ITC Investment被視作於上述Hollyfield持有之399,859,768股本公司股份中擁有權益。陳國強博士之配偶伍婉蘭女士被視作於上述Hollyfield持有之399,859,768股本公司股份中及陳國強博士直接持有之11,840,896股本公司股份中擁有權益。

## Interests and Short Positions of Substantial Shareholders/Other Persons Recorded in the Register Kept under Section 336 of the SFO – continued

列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益－續

(2) 其他人士於本公司股份及相關股份之權益及淡倉：

(2) Interests and short position of other persons in the shares and underlying shares of the Company:

Name of person	Capacity	Long position/ short position	Number of shares of the Company held	Approximate percentage of the then existing issued share capital of the Company 佔本公司當時 現有已發行股本 概約百分比
姓名	身份	好倉／淡倉	持有本公司 股份數目	
The Children's Investment Fund Management (UK) LLP	Investment manager <sup>1</sup> 投資經理 <sup>1</sup>	Long position 好倉	121,000,000	8.78%
The Children's Investment Master Fund	Beneficial owner 實益持有人	Long position 好倉	121,000,000	8.78%
Aeneas Capital Management LP	Investment manager 投資經理	Long position 好倉	119,355,009	8.66%
OZ Management, L.L.C.	Investment manager 投資經理	Long position 好倉	95,848,377	6.95%
Gandhara Advisors Asia Ltd. a/c Gandhara Master Fund Ltd.	Investment manager 投資經理	Long position 好倉	96,425,039	6.99%
Christian Emil Toggenburger	Beneficial owner 實益持有人	Long position 好倉	82,027,653	5.95%
Deutsche Bank Aktiengesellschaft 德意志銀行	Beneficial owner 實益持有人	Long position 好倉	24,582,145	1.78%
	Investment manager 投資經理	Long position 好倉	2,000,000	0.15%
	Security interest 質押權益	Long position 好倉	68,835,151	4.99%

Note:

1. The Children's Investment Master Fund is accustomed or obliged to act in accordance with the directions or instructions of The Children's Investment Fund Management (UK) LLP. Therefore, The Children's Investment Fund Management (UK) LLP is accordingly deemed to be having the same interests in the shares as The Children's Investment Master Fund.

附註：

1. The Children's Investment Master Fund一向或必須遵從The Children's Investment Fund Management (UK) LLP之指示或指令。由此，The Children's Investment Fund Management (UK) LLP被視作與The Children's Investment Master Fund享有同等股份權益。

### Interests and Short Positions of Substantial Shareholders/Other Persons Recorded in the Register Kept under Section 336 of the SFO – continued

Save as disclosed above, as at 31 March 2006, the Company has not been notified of any interest or short position in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO.

### Number of Employees and Remuneration Policies

Including the directors of the Group, as at 31 March 2006, the Group employed a total of approximately 1,294 full time employees (among which 1,190 were employed by Paul Y. Engineering Group Limited) (2005: 1,163). Remuneration packages comprised salary and year-end bonuses based on individual merits. In appreciation of our employees' continuing support and contribution, a bonus payment was made to them during the year.

Further, to properly align employee's interests with those of the Company's shareholders and allow more flexibility in motivating management through different incentive modes, the Company has implemented three share-related incentive schemes as mentioned above to promote employee's loyalty during the year. An independent consultant was engaged to advise the Board on award strategies in order to provide incentive to the Company's executives and staff on a timely basis, in particular to the Mainland staff whose regular remuneration packages often do not adequately reflect their contributions to the Group.

### Retirement Benefit Schemes

Information on the Group's retirement benefit schemes is set out in notes 13(b) and 45 to the consolidated 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, although there are no restrictions against such rights under the laws of Bermuda.

### Purchase, Sale and Redemption of Listed Securities

During the year, the Company had repurchased a total of 10,520,000 ordinary shares on the Stock Exchange at an aggregate price of approximately HK\$14,478,000, representing an average price of HK\$1.38 paid for each share purchased. All of these shares were cancelled upon repurchase.

### 列入根據證券及期貨條例第336條予以存置之登記冊內之主要股東／其他人士權益 – 續

除上文所披露者外，於二零零六年三月三十一日，本公司並未獲知會有任何其他人士擁有須列入根據證券及期貨條例第336條予以存置之登記冊內於本公司之股份及相關股份之權益或淡倉。

### 僱員數目及薪酬政策

於二零零六年三月三十一日，本集團僱用合共約1,294名全職僱員(包括本集團董事)，其中1,190名乃保華建業集團有限公司僱員(二零零五年：1,163名)。薪酬組合乃根據個別人員之貢獻而釐定，並由薪酬及年終花紅所組成。為感謝我們僱員之一直以來的支持以及貢獻，年內已向僱員支付一筆花紅。

此外，為使僱員之權益與本公司之股東之權益保持一致，並透過不同的獎勵模式更靈活地獎勵管理層人員，於本年度，本公司已實行上文所述之三項股份相關之獎勵計劃，以提升僱員之忠誠度。獨立顧問已就獎賞策略向董事局提供意見，以向本公司之行政人員及僱員提供及時獎勵，尤其針對內地薪酬待遇較低故未能反映彼等對集團所作貢獻之員工。

### 退休福利計劃

本集團退休福利計劃之資料載列於綜合財務報表附註13(b)及45。

### 股本優先購買權

本公司之公司細則或百慕達法例中並無股本優先購買權之條文，規定本公司須按持股比例向現有股東提呈發售新股，惟百慕達法例並無限制此等權利。

### 上市證券之買賣及贖回

年內，本公司已在聯交所以合共約14,478,000港元的價格(相當於每股已購回股份之1.38港元已付平均價)購回合共10,520,000股普通股份，而該等股份已於購回時全數撤銷。

## Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 42 to 53 of this report.

## Sufficiency of Public Float

As at the date of this report, the directors acknowledge that approximately 71.8% of the issued share capital of the Company are held by the public.

## Donations

During the year, the Group made charitable and other donations of approximately HK\$181,000.

## Disclosure pursuant to Rules 13.20 and 13.22 of the Listing Rules

### (1) Advances to entities

As at 31 March 2006, advances to entities did not individually exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

### (2) Financial assistance and guarantees given to affiliated companies

As at 31 March 2006, the aggregate amount of the financial assistance provided by the Group to its associated companies and jointly controlled entities (collectively the "Affiliated Companies" within the meaning under Chapter 13 of the Listing Rules) and the guarantees given by the Group for facilities granted to the Affiliated Companies did not exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

## Auditors

Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company for the past three years. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Joseph Chow** *OBE, JP*  
Chairman  
Hong Kong, 7 July 2006

## 企業管治

本公司之企業管治原則及常規載於本年報第42至53頁之企業管治報告。

## 足夠公眾持股量

於本報告日期，董事確認本公司約71.8%之已發行股本乃由公眾所持有。

## 捐款

本集團年內之慈善及其他捐款共約181,000港元。

## 根據上市規則第13.20及13.22條作出披露

### (1) 為若干實體提供貸款

於二零零六年三月三十一日，向實體提供之貸款個別並不超逾上市規則第14.07(1)條所界定資產比率之8%。

### (2) 給予聯屬公司之財務資助及擔保

於二零零六年三月三十一日，本集團給予其聯營公司及共同控制實體（按上市規則第13章之界定，統稱「聯屬公司」）之財務資助及本集團就授予聯屬公司之融資所作出之擔保合共並不超逾上市規則第14.07(1)條所界定資產比率之8%。

## 核數師

德勤•關黃陳方會計師行為本公司過去三年之核數師，一項為續聘德勤•關黃陳方會計師行為本公司核數師之決議案將提呈於股東週年大會上。

代表董事局

主席  
**周明權** *OBE, JP*  
香港，二零零六年七月七日