

DIRECTORS' REPORT

董事會報告

The directors present their annual report and the audited financial statements for the year ended 31st March, 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including securities dealing and broking, futures and options broking, securities margin financing, corporate finance services, and brokerage of mutual funds and insurance-linked investment plans and products. Particulars of the Company's subsidiaries and associate are set out in notes 16 and 19 respectively to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2005 are set out in the consolidated income statement on page 21.

An interim dividend of HK2.5 cents per share amounting to HK\$7,500,000 was paid during the year. The directors now recommend the payment of a final dividend of HK2.5 cents per share to the shareholders on the register of members on 19th August, 2005, amounting to HK\$12,538,461, and the retention of the remaining profit for the year of approximately HK\$13,368,000.

PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTY

One of the Group's leasehold land and buildings was revalued at 31st March, 2005. The revaluation resulted in a surplus over book values amounting to HK\$704,000, which has been credited directly to the income statement.

During the year, the Group's investment property was revalued at the year end date. The net surplus arising on the revaluation, which has been credited directly to the investment property revaluation reserve, amounted to HK\$6,950,000.

Details of these and other movements during the year in the property and equipment and investment property of the Group are set out in notes 14 and 15 respectively to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the financial statements.

董事會提呈本公司之年報及截至二零零五年三月三十一日止年度之經審核財務報表。

主要業務

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣及經紀服務、期貨及期權經紀服務、證券保證金融資、企業融資服務，以及互惠基金及保險相關投資計劃及產品之經紀服務。本公司附屬公司及聯營公司之資料分別載於財務報表附註16及19。

業績及分派

本集團截至二零零五年三月三十一日止年度之業績載於第21頁之綜合收益表內。

每股2.5港仙之中期股息，合共7,500,000港元於年內已派付。董事會現建議派發末期股息每股2.5港仙予二零零五年八月十九日名列股東名冊之股東，合共12,538,461港元，及保留本年內剩餘利潤約13,368,000港元。

物業及設備及物業投資

本集團之一項租賃土地及樓宇已於二零零五年三月三十一日重估。重估產生較賬面值為高之盈餘達704,000港元，並已直接撥入收益表。

年內，本集團之投資物業於年結日重估。於重估產生並已直接撥入物業投資重估儲備之淨盈餘達6,950,000港元。

年內，本集團之物業及設備及物業投資之詳情及其他變動將分別載於財務報表附註14及15。

股本

本公司於年內之股本變動詳情載於財務報表附註28。

RESERVES

Movements in the reserves of the Company and of the Group during the year are set out in note 29 to the financial statements and the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

At 31st March, 2005, the reserves of the Company available for distribution to shareholders were approximately HK\$405,293,000, which comprises of the share premium, special reserve and retained profits.

DIRECTORS

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

Executive directors:

Mr. Hung Hon Man (*Chairman*)
 Mr. Cham Wai Ho, Anthony (*Deputy Chairman*)
 Mr. Shum Kin Wai, Frankie (*Managing Director*)
 Mr. Wong Sheung Kwong
 Mr. Cheng Wai Ho

Independent non-executive directors:

Mr. Liu Chun Ning, Wilfred
 Mr. Lin Zhi Hang
 Mr. Chung Wai Keung
 (appointed on 16th July, 2004)

In accordance with the provisions of the Company's Articles of Association, Messrs. Liu Chun Ning, Wilfred, Lin Zhi Hang and Chung Wai Keung shall retire and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICES CONTRACTS

Each of the executive directors has entered into a service contract with the Company for an initial fixed term of three years commencing from 1st April, 2002 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

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

儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註29及綜合權益變動表。

可供分派儲備

於二零零五年三月三十一日，本公司可供分派予股東之儲備約405,293,000港元，當中包括股份溢價、特別儲備及保留溢利。

董事

於年內及截至本報告發表日期期間，本公司之董事如下：

執行董事：

洪漢文先生 (主席)
 湛威豪先生 (副主席)
 岑建偉先生 (董事總經理)
 王湘江先生
 鄭偉浩先生

獨立非執行董事：

廖俊寧先生
 藺之航先生
 鍾偉強先生
 (於二零零四年七月十六日獲委任)

廖俊寧先生、藺之航先生及鍾偉強先生按照本公司之公司組織章程細則規定告退，惟符合資格並願膺選連任。

董事之服務合約

各執行董事與本公司訂立初步固定為三年之服務合約，該等合約由二零零二年四月一日起生效，直至其中一方向對方發出不少於三個月之書面通知為止。該等通知於固定年期終止前一直有效。

各非執行董事之任期為直至按照本公司之公司組織章程細則輪值告退之期間。

除上文所披露者外，擬於應屆股東週年大會膺選連任之董事並無訂立任何不得由本集團於一年內在不支付賠償(法定賠償除外)下終止之服務合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES

At 31st March, 2005, the interests of the directors and their associates in the shares 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 (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"), were as follows:

1. Long positions in the ordinary shares of HK10 cents each of the Company

Name of director 董事姓名	Capacity 權益性質	Number of issued ordinary shares held 所持已發行 普通股股份數目	Percentage of the issued share capital of the Company 本公司已發行 股本之百分比
Mr. Hung Hon Man 洪漢文先生	Interest of controlled corporation (note i) 受控公司之權益 (註i)	152,270,000	36.25%

2. Long positions in the convertible bonds of the Company

Name of director 董事姓名	Capacity 權益性質	Amount of bonds 債券金額 HK\$'000 千港元
Mr. Hung Hon Man 洪漢文先生	Interest of controlled corporation (note iii) 受控公司之權益 (註iii)	100,000
Mr. Cham Wai Ho, Anthony 湛威豪先生	Interest of controlled corporation (note ii & iii) 受控公司之權益 (註ii及iii)	10,000

董事之股份權益

於二零零五年三月三十一日，根據《證券及期貨條例》(「證券及期貨條例」)第352條須予備存的登記冊所記錄或根據《上市公司董事進行證券交易之標準守則》(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益，各董事及彼等之聯繫人士所擁有本公司及其相聯法團的股份權益如下：

1. 於本公司每股面值10港仙普通股之好倉權益

2. 於本公司可換股債券之好倉權益

DIRECTORS' INTERESTS IN SHARES (continued)

Notes:

- i. Mr. Hung Hon Man is deemed to be interested in 152,270,000 ordinary shares of the Company which are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.
- ii. Mr. Cham Wai Ho, Anthony is deemed to be interested in the shares of the Company and the derivative interest in shares of the Company which are held by Chambray Resources Limited (a company incorporated in the BVI with limited liability, the entire issued share capital of which is beneficially owned by Mr. Cham) by virtue of the SFO.
- iii. On 22nd February, 2005, the Company entered into subscription agreements to issue convertible bonds to Honeylink Agents Limited and Chambray Resources Limited with an aggregate principal amount of HK\$100 million and HK\$10 million respectively. During the first anniversary year since the issue of the convertible bonds as specified under subscription agreements, each of Honeylink Agents Limited and Chambray Resources Limited has an option to convert the bonds into ordinary shares at a conversion price of HK\$1.80 per share specified in the subscription agreements. Upon full conversion of the convertible bonds, Honeylink Agents Limited and Chambray Resources Limited will hold interests in ordinary shares representing 13.23% and 1.32% respectively of the issued share capital of the Company as at 31st March, 2005. Completion of the subscription agreements has taken place on 6th April, 2005.

董事之股份權益 (續)

註：

- i. 洪漢文先生被視為擁有本公司152,270,000股普通股的公司權益，該股份由一間在英屬處女群島註冊成立之有限公司Honeylink Agents Limited所持有，其全部已發行股本乃由洪漢文先生實益擁有。
- ii. 根據證券及期貨條例，湛威豪先生被視為擁有本公司股份之權益及本公司股份之衍生權益。該等股份由Chambray Resources Limited（一間在BVI註冊成立之有限公司，其全部已發行股本乃由湛先生實益擁有）所持有。
- iii. 於二零零五年二月二十二日，本公司訂立多份認購協議以分別發行本金總額為100,000,000港元及10,000,000港元之可換股債券予Honeylink Agents Limited及Chambray Resources Limited。於發行可換股債券之首個年度內，根據認購協議規定，Honeylink Agents Limited及Chambray Resources Limited各自有權按認購協議規定之換股價每股1.80港元將債券轉換為普通股。於全數兌換可換股債券後，Honeylink Agents Limited及Chambray Resources Limited將持有之普通股權益將佔於二零零五年三月三十一日之本公司已發行股本之13.23%及1.32%。認購協議已於二零零五年四月六日完成。

DIRECTORS' INTERESTS IN SHARES (continued)

3. Long positions in the non-voting deferred shares of HK\$1.0 each of Get Nice Investment Limited ("GNI"), a wholly owned subsidiary of the Company

Name of director 董事姓名	Capacity 權益性質	Number of non-voting deferred shares* held 無投票權遞延股*數目	Percentage of the issued share capital of GNI 結好投資已發行股本之百分比
Mr. Hung Hon Man 洪漢文先生	Beneficial owner 實益擁有人	36,000,000	90%
Mr. Shum Kin Wai, Frankie 岑建偉先生	Beneficial owner 實益擁有人	4,000,000	10%
		40,000,000	100%

* The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNI and on liquidation, the assets of GNI available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNI's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

Save as disclosed above, at 31st March, 2005, none of the directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its 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.

董事之股份權益 (續)

3. 於本公司全資附屬公司結好投資有限公司 (「結好投資」) 之每股面值 1.0 港元之無投票權遞延股之好倉權益

Number of non-voting deferred shares* held 無投票權遞延股*數目	Percentage of the issued share capital of GNI 結好投資已發行股本之百分比
36,000,000	90%
4,000,000	10%
40,000,000	100%

* 無投票權遞延股於實際上無權收取股息，亦無權接收結好投資任何股東大會通告或出席大會或於會上投票。於清盤時，結好投資可供分派予普通股持有人及無投票權遞延股持有人之資產應先用以支付每股普通股 1,000,000,000,000 港元之款項予普通股持有人，繼而用以償還有關股份之已繳足或入賬列為繳足面值予無投票權遞延股持有人，而結好投資之資產餘額在屬於普通股持有人，並分別按彼等就有關普通股之繳足或入賬列為繳足股款之比例分派。

除上文所披露者外，於二零零五年三月三十一日，根據證券及期貨條例第 352 條須予備存的登記冊所記錄或根據標準守則而向本公司及聯交所作出的知會，本公司董事或彼等之聯繫人士概無擁有本公司或其任何相聯法團 (定義見證券及期貨條例第 XV 部) 之任何股份或相關股份的任何權益或淡倉。

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

Particulars of the Company's share option scheme and details of movements in the share options to subscribe for shares of HK\$10 cents each in the Company granted under the share option scheme during the year are set out in note 30 to the financial statements.

As disclosed in note 30 to the financial statements, the Company had granted a total number of 30,000,000 share options to employees during the year. The directors consider that it is not appropriate to disclose the value of share options granted during the year since any valuation of the share options would be subject to a number of assumptions that would be subjective and uncertain.

Save as disclosed above, at no time during the year was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company, 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 and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the year.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

1. During the year, the Group paid rental expense of HK\$821,000 to Fullink Developments Limited, a company in which Messrs. Hung Hon Man and Cham Wai Ho, Anthony have beneficial interests.
2. During the year, the Group received commission of approximately HK\$159,000 and interest of approximately HK\$600 from Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Cheng Wai Ho and their associates.

The independent non-executive directors confirm that these transactions have been entered into by the Group in the ordinary course of its business 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 Group as a whole.

Save as disclosed above, no contracts of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company 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.

購買股份及購股權之安排

本公司之購股權計劃詳情，以及根據購股權計劃授出可認購本公司每股面值10港仙股份之購股權於年內之變動詳情，均載列於財務報表附註30。

如財務報表附註30所披露，本公司已於年內合共授出30,000,000份購股權予僱員。董事認為，由於對購股權進行任何估值均會受到多項主觀及不確定之假設影響，故披露年內所授出購股權之價值並不適當。

除上文所披露者外，於年內任何時間，本公司、其最終控股公司或其最終控股公司之任何附屬公司並無參與任何安排，使本公司董事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，而於年內，亦無董事或彼等之配偶或18歲以下子女有權認購本公司之股份或已行使該等權利。

關連交易及董事之合約權益

1. 年內，本集團支付租金費用821,000港元予富協發展有限公司。洪漢文先生及湛威豪先生擁有該公司之實益權益。
2. 年內，本集團自岑建偉先生、湛威豪先生、鄭偉浩先生及彼等之聯繫人士分別收取佣金約159,000港元及利息約600港元。

獨立非執行董事確認，該等交易乃本集團循日常業務及根據監管有關交易之協議條款訂立，乃公平合理及符合本集團股東之整體利益。

除上文所披露者外，本公司、其最終控股公司或其最終控股公司之任何附屬公司概無參與訂立任何於年內結束或年內任何時間內仍然生效且本公司董事於其中直接或間接擁有重大權益之重大合約。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS

Save as disclosed in "Directors' interests in shares", at 31st March, 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK10 cents each of the Company.

Name	Capacity	Number of issued ordinary shares held 所持已發行普通股股份數目	Percentage of the issued share capital of the Company 本公司已發行股本之百分比
名稱	權益性質		
Honeylink Agents Limited	Beneficial owner 實益擁有人	152,270,000	36.25%

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company at 31st March, 2005.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31st March, 2005, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31st March, 2005, the Group's turnover attributed to the five largest customers accounted for less than 30% of the Group's total turnover.

The Group had no major suppliers due to the nature of principal activities of the Group.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2005.

主要股東

除「董事之股份權益」所披露者外，於二零零五年三月三十一日，根據證券及期貨條例第336條，本公司須予備存之主要股東登記名冊所記錄，以下股東擁有本公司之已發行股本面值5%或以上之權益及該權益乃本公司每股面值10港仙股份之好倉。

Number of issued ordinary shares held 所持已發行普通股股份數目	Percentage of the issued share capital of the Company 本公司已發行股本之百分比
152,270,000	36.25%

除上文所披露者外，於二零零五年三月三十一日，本公司並未獲知會有任何其他擁有有關權益人士或本公司已發行股本之淡倉。

優先購股權

本公司之公司組織章程大綱與細則或開曼群島法例並無有關優先購股權之條文，即規定本公司須按比例向現有股東提呈發售新股份。

購買、贖回或出售上市證券

於截至二零零五年三月三十一日止年度期間，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市股份。

主要客戶及供應商

於截至二零零五年三月三十一日止年度期間，來自五大客戶之本集團營業額佔本集團營業總額不足30%。

基於本集團主要業務之性質，本集團並無主要供應商。

足夠之公眾持股量

本公司於截至二零零五年三月三十一日止年度一直維持足夠之公眾持股量。

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$270,000.

AUDIT COMMITTEE

The Company set up an audit committee on 16th May, 2002 with written terms of reference in compliance with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee will report its findings and make recommendations to the board of directors on a half yearly basis. The audit committee has three members comprising Messrs. Liu Chun Ning, Wilfred, Lin Zhi Hang and Chung Wai Keung, all being independent non-executive directors.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st March, 2005 with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 38 to the financial statements.

捐款

年內，本集團作出之慈善及其他捐款合共270,000港元。

審核委員會

本公司於二零零二年五月十六日成立審核委員會，並遵照聯交所證券上市規則（「上市規則」）附錄十四所載之最佳應用守則書面界定其職權範圍。審核委員會之主要職責為審核及監察本集團之財務申報程序及內部監管制度。審核委員會將每半年一次向董事會報告其審核結果及提出建議。審核委員會由三位獨立非執行董事包括廖俊寧先生、藺之航先生及鍾偉強先生組成。

遵守最佳應用守則

本公司於截至二零零五年三月三十一日止年度一直遵守聯交所於上市規則附錄十四所列之最佳應用守則，惟本公司之非執行董事並無按最佳應用守則第七段規定之特定任期委任，惟須依據本公司之公司組織章程細則輪值告退及於本公司之股東週年大會上膺選連任。

本公司已就董事之證券交易採納一套行為準則，條款乃不遜於上市規則附錄十載列之規定準則。經過向所有董事作出特定查詢後，所有董事確認彼等已遵守規定之買賣準則及本公司就董事之證券交易而採納之行為準則。

本公司已收到各獨立非執行董事根據上市規則第3.13條發出之年度確認書。本公司認為所有獨立非執行董事均屬獨立人士。

結算日後事項

於結算日後發生之重大事項詳情載列於財務報表附註38。

DIRECTORS' REPORT

董事會報告

AUDITORS

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

On behalf of the Board

Hung Hon Man

Chairman

Hong Kong, 15th July, 2005

核數師

本公司之應屆股東週年大會上將提呈決議案續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席

洪漢文

香港，二零零五年七月十五日