

Report Of The Directors

董事會報告書





REPORT OF THE DIRECTORS

董事會報告書

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, securities investment, property investment and investment holding.

Analyses of the Group's turnover and segment results by business segment and geographical segment are set out in note 5 to the financial statements.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and of the Group's principal associates at 31st March, 2005 are set out in notes 14 and 15 to the financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st March, 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 40 to 98.

An interim dividend of 1.25 cents per share amounting to approximately HK\$16,325,000 was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of 1.25 cents per share to the shareholders on the Register of Members on Tuesday, 30th August, 2005 amounting to approximately HK\$16,336,000.

SHARE PREMIUM AND RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 27 to the financial statements and the consolidated statement of changes in equity respectively.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 100 of the annual report.

董事會全人現謹向各股東發表截至二零零五年三月三十一日止之年度報告書及已審核之財務報表。

主要業務

本公司為投資控股公司，而其附屬公司為從事搜購、入口、批發、精細加工、包裝、市場推廣及銷售食米、證券投資、物業投資及投資控股。

按業務及地域分析之本集團營業額及分類業績列於財務報表附註5。

附屬及聯營公司

有關於二零零五年三月三十一日本公司屬下各主要附屬公司及本集團屬下各主要聯營公司之詳情列於財務報表附註14及15。

業績及分配

本集團截至二零零五年三月三十一日止年度之業績及本公司與本集團於當日之財務狀況已列於本財務報表第40頁至第98頁。

中期股息每股1.25仙（總額約為16,325,000港元）已於年中向股東派付。董事會現建議派發末期股息每股1.25仙（總額約為16,336,000港元）予於二零零五年八月三十日（星期二）名列股東名冊上之股東。

股本溢價及儲備

本年度本公司與本集團之儲備之變動詳情，已分別列於財務報表附註27及綜合權益變動表。

集團財政摘要

本集團過去五年之業績、資產及負債撮列於本年報第100頁。

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31st March, 2005. The revaluation surplus of HK\$3,600,000 has been credited to the income statement.

Details of movements during the year in the investment properties of the Group are set out in note 13 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the law of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

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

Madam LAM TSANG Suk Yee*

Mr. David LAM Kwing Chan (*Chairman*)

Mr. Alvin LAM Kwing Wai (*Managing Director*)

Madam Rosita YUEN LAM Kit Woo

Mr. Laurent LAM Kwing Chee

Mr. TSANG Siu Hung

Mr. Andrew LAM Ping Cheung#

Mr. Leo CHAN Fai Yue#

Mr. John WONG Yik Chung#

(appointed on 28th September, 2004)

Mr. CHIU Ming Hung#

(resigned on 15th January, 2005)

* *Non-Executive Director*

Independent Non-Executive Director

投資物業

本集團於二零零五年三月三十一日重估所有投資物業，重估之盈餘總額共3,600,000港元已計入收益表。

本集團於本年度之投資物業變動詳情已詳載於財務報表附註13。

物業、廠房機器及設備

本集團於本年度之物業、廠房機器及設備變動詳情已載於財務報表附註12。

股本

本年度之股本變動，詳載於本財務報表附註25。

優先認購股份權利

根據本公司之公司細則或百慕達法例均無優先認購股份權利條款規定本公司須按比例向現有股東發行新股。

董事

於本年度內及截至本報告日期止本公司董事芳名如下：

林曾淑儀女士*

林焯燦先生(主席)

林焯偉先生(董事總經理)

源林潔和女士

林焯熾先生

曾兆雄先生

林炳昌先生#

陳輝虞先生#

黃翼忠先生#

(於二零零四年九月二十八日委任)

邱明宏先生#

(於二零零五年一月十五日辭任)

* 非執行董事

獨立非執行董事

DIRECTORS (Continued)

In accordance with the Company's Bye-Laws, Messrs. Laurent LAM Kwing Chee, Leo CHAN Fai Yue and John WONG Yik Chung shall retire by rotation and, being eligible, offer themselves for re-election.

The term of office of each Directors, including the independent non-executive directors, is the period up to his retirement by rotation in accordance with the Company's Bye-Laws.

SERVICE CONTRACTS OF DIRECTORS

Messrs. David LAM Kwing Chan and Alvin LAM Kwing Wai had entered into service contracts with the Company for an initial term of three years commencing on 1st January, 1991. These service contracts remain effective after the expiry date unless terminated by either party with six months' notice in writing. As at 31st March, 2005, none of these service contracts had been terminated by either party.

Each of the independent non-executive directors confirmed his independence with the Company pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considered all the independent non-executive directors are independent.

No Director 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).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT STAFF

1. Directors

The biographical details of the Directors of the Company are as follows:

LAM TSANG Suk Yee, aged 91, Non-Executive Director of the Company. Madam Lam is the co-founder of the Group and the Honorary Chairman of the Company. She graduated from the University of Canton. Madam Lam is the mother of Mr. David LAM Kwing Chan.

董事 (續)

依照本公司之公司細則，林焯熾先生、陳輝虞先生及黃翼忠先生例應輪流告退，但彼等均願膺選連任。

各董事之任期（包括獨立非執行董事），乃於根據本公司之公司細則輪流告退時屆滿。

董事服務合約

本公司與林焯燦先生及林焯偉先生各訂有服務合約，該董事為本集團提供服務自一九九一年一月一日起為期三年，並於屆滿後仍然有效直至由任何一方以六個月書面通知而終止。於二零零五年三月三十一日任何一方均未曾終止此服務合約。

各獨立非執行董事已根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條就其獨立性向本公司作出確認。本公司認為所有獨立非執行董事確屬獨立人士。

擬重選連任之董事並無訂立不可由本集團在一年內不作補償而終止之服務合約（法定賠償除外）。

董事及高層管理人員之個人資料詳情

1. 董事

公司董事之個人資料詳情如下：

林曾淑儀，91歲，本公司非執行董事，為本集團創辦人之一兼本公司榮譽主席。林女士畢業於廣州大學。林女士為林焯燦先生之母親。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT STAFF (Continued)

1. Directors (Continued)

David LAM Kwing Chan, aged 67, Chairman of the Company. He joined the Group in 1963. In 1989, he was made as a Member of the Most Exalted Order of the White Elephant of Thailand by his Majesty, the King of Thailand. In 1993, he was further honoured the Companion (Fourth Class) of the Most Noble Order of the Crown of Thailand. He has extensive experience in rice trading and has been appointed as committee member of the Hong Kong Rice Advisory Committee since April 1987. Mr. Lam is the son of Madam LAM TSANG Suk Yee.

Alvin LAM Kwing Wai, aged 60, Managing Director of the Company. Mr. Lam joined the Group in 1970 after he obtained his Master of Business Administration degree from the University of California, Berkeley, U.S.A. He has extensive experience in financial management and investment planning. Mr. Lam is the brother of Mr. David LAM Kwing Chan.

Rosita YUEN LAM Kit Woo, aged 59, Executive Director and Treasurer of the Company. She graduated from the University of California, Los Angeles, U.S.A. with a B.A. in Economics and joined the Group in 1991. Madam Yuen has extensive experience in banking and trading. Madam Yuen is the sister of Mr. David LAM Kwing Chan.

Laurent LAM Kwing Chee, aged 58, Executive Director of the Company. He graduated from the Eastern Illinois University, U.S.A. with a bachelor degree in Economics and joined the Group in 1991. Mr. Lam has extensive experience in property development and investment. Mr. Lam is the brother of Mr. David LAM Kwing Chan.

董事及高層管理人員之個人資料詳情 (續)

1. 董事 (續)

林焯燦，67歲，為本公司主席，於一九六三年加入本集團。彼於一九八九年榮獲泰皇御賜榮譽頒發白象勳章，並繼於一九九三年榮獲頒授泰國皇室四級皇冠勳章。彼具豐富食米貿易經驗，並自一九八七年四月起獲委任為香港食米業諮詢委員會委員。林先生為林曾淑儀女士之兒子。

林焯偉，60歲，為本公司董事總經理。彼取得美國伯克利加州大學工商管理碩士學位後於一九七零年加入本集團，於財務管理及投資策劃方面均具豐富經驗。林先生為林焯燦先生之胞弟。

源林潔和，59歲，為本公司執行董事兼司庫。源女士持有美國洛杉磯加州大學經濟學士學位，彼於一九九一年加入本集團，具豐富之銀行及貿易業務經驗。源女士為林焯燦先生之胞妹。

林焯熾，58歲，為本公司執行董事。彼畢業於美國東伊利諾大學，獲授經濟學士銜，彼於一九九一年加入本集團，於物業發展及投資具豐富經驗。林先生為林焯燦先生之胞弟。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT STAFF (Continued)

1. Directors (Continued)

TSANG Siu Hung, aged 50, Executive Director and Financial Controller of the Company. He holds a bachelor degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1985. Mr. Tsang has extensive professional experience in finance, accounting and auditing fields.

Andrew LAM Ping Cheung, aged 53, was appointed as an Independent Non-Executive Director of the Company in 1991. Mr. Lam is a solicitor and a sole proprietor of Andrew Lam & Co., Solicitors and possesses extensive experience in the field of legal practice.

Leo CHAN Fai Yue, aged 64, was appointed as an Independent Non-Executive Director of the Company in 1999. Mr. Chan has over 20 years of invaluable experience in Hong Kong stock market and manufacturing industry. During his early years in Japan, he was exposed to the trading and finance field. He is an independent non-executive director of Prosperity Investment Holdings Limited (formerly known as "GR Investment International Limited") and Datronix Holdings Limited, the listed Companies in Hong Kong and a director of a paint manufacturing company in Bangkok. Mr. Chan is a member of The Hong Kong Institution of Directors.

John WONG Yik Chung, aged 38, was appointed as an Independent Non-Executive Director of the Company in 2004. Mr. Wong is a qualified accountant and has over 14 years of public accounting and financial consulting experience in the People's Republic of the China ("PRC"), Hong Kong, Australia and Southeast Asia. Mr. Wong has been a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants since 1992 and 1997 respectively. Mr. Wong graduated from the Flinders University of South Australia with a master degree in applied finance in 1992. He is an independent non-executive director of EcoGreen Fine Chemicals Group Limited, a listed company in Hong Kong. Mr. Wong is currently engaging in a range of financial consulting services stationing in Shanghai, the PRC.

董事及高層管理人員之個人資料詳情 (續)

1. 董事 (續)

曾兆雄，50歲，為本公司執行董事兼財務總監。彼持有會計榮譽學士學位及為英國公認會計師公會及香港會計師公會之資深會員，曾先生於一九八五年加入本集團，具豐富之財務、會計及核數專業經驗。

林炳昌，53歲，於一九九一年獲委任加入本公司為獨立非執行董事。彼為香港執業律師及林炳昌律師事務所之獨資經營者，具豐富法律專業經驗。

陳輝虞，64歲，於一九九九年獲委任為本公司之獨立非執行董事，彼從事香港股票行業及對廠務具超過二十年豐富經驗。陳先生早年旅居日本，經營貿易及金融行業。彼亦為香港上市公司，嘉進投資國際有限公司（前稱「金源投資國際有限公司」）和連達科技控股有限公司之獨立非執行董事及曼谷一間油漆製造廠之董事。陳先生是香港董事學會會員。

黃翼忠先生，38歲，於二零零四年獲委任為本公司之獨立非執行董事。黃先生為合資格會計師，在中華人民共和國（「中國」）、香港、澳洲及東南亞擁有逾14年會計及金融顧問經驗。黃先生分別於1992年和1997年成為澳洲會計師公會及香港會計師公會之會員。黃先生1992年於澳洲南部Flinders University畢業，持有應用金融碩士學位。彼為香港一間上市公司，中怡精細化工集團有限公司之獨立非執行董事。現時留駐中國上海，從事各類金融顧問服務。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT STAFF (Continued)

2. Senior Management

The five Directors of the Company holding executive offices above are directly responsible for the various businesses of the Group. They are regarded as the members of the senior management of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31st March, 2005, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions

- (a) Ordinary shares of the Company

董事及高層管理人員之個人資料詳情 (續)

2. 高層管理人員

上述五名本公司之執行董事親自參與管理本集團各項業務，乃本集團之高層管理人員。

董事於股份及相關股份持有之權益及淡倉

於二零零五年三月三十一日，各董事及彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部份）之股份及相關股份中擁有須載入根據證券及期貨條例第352條所存置之登記冊內，或根據香港聯合交易所有限公司（「聯交所」）上市規則之上市發行人董事進行證券交易標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

好倉

- (a) 本公司之普通股

Number of ordinary shares beneficially held in the Company

Name of director	實益持有 本公司普通股股數			Percentage of the issued share capital of the Company 本公司之 已發行股本 之百分比
	Personal interests	Family interests	Total interests	
董事名稱	個人權益	家屬權益	權益總額	
Mr. David LAM Kwing Chan 林焯燦先生	7,935,000	–	7,935,000	0.61%
Mr. Alvin LAM Kwing Wai 林焯偉先生	17,500,000	6,000,000 (Note附註)	23,500,000	1.80%
Note: The family interests of 6,000,000 shares represent the interests of the wife of Mr. Alvin LAM Kwing Wai.			附註：6,000,000股股份之家屬權益乃由林焯偉先生之妻子擁有。	

**DIRECTORS' INTERESTS AND SHORT POSITIONS
IN THE SHARES AND UNDERLYING SHARES**

(Continued)

Long positions (Continued)

(b) Non-voting deferred shares of Golden Resources Development Limited, a wholly-owned subsidiary of the Company

Name of director	Capacity	Number of non-voting deferred shares beneficially held
董事名稱	身份	實益持有之無投票權遞延股份數目
Mr. David LAM Kwing Chan	林焯燦先生 Beneficial owner 實益擁有人	260,000
Mr. Alvin LAM Kwing Wai	林焯偉先生 Beneficial owner 實益擁有人	260,000

(c) Non-voting deferred shares of Yuen Loong & Company Limited, a wholly-owned subsidiary of the Company

Name of director	Capacity	Number of non-voting deferred shares beneficially held
董事名稱	身份	實益持有之無投票權遞延股份數目
Mr. David LAM Kwing Chan	林焯燦先生 Beneficial owner 實益擁有人	13,000
Mr. Alvin LAM Kwing Wai	林焯偉先生 Beneficial owner 實益擁有人	13,000

(d) Ordinary shares of Wellight Development Limited, an associate of the Company

Name of director	Capacity	Number of ordinary shares held through corporation
董事名稱	身份	透過公司持有之普通股股份數目
Mr. Laurent LAM Kwing Chee	林焯熾先生 Corporate interest 公司權益	300 (Note 附註)

Note: These shares held by L.K.C. Company Limited, a company wholly owned by Mr. Laurent LAM Kwing Chee.

董事於股份及相關股份持有之權益及淡倉 (續)
好倉 (續)

(b) 本公司之全資附屬公司金源米業有限公司之無投票權遞延股份

(c) 本公司之全資附屬公司源隆行有限公司之無投票權遞延股份

(d) 本公司之聯營公司Wellight Development Limited 之普通股股份

附註：此等股份由林焯熾先生全資擁有之公司L.K.C. Company Limited持有。

**DIRECTORS' INTERESTS AND SHORT POSITIONS
IN THE SHARES AND UNDERLYING SHARES**

(Continued)

Long positions (Continued)

(e) Share options

Name of director 董事名稱		Capacity 身份	Number of options held 持有認購股權數目	Number of underlying shares 相關股份數目
Mr. Alvin LAM Kwing Wai	林焯偉先生	Beneficial owner 實益擁有人	25,000,000	25,000,000
Madam Rosita YUEN LAM Kit Woo	源林潔和女士	Beneficial owner 實益擁有人	25,000,000	25,000,000
Mr. Laurent LAM Kwing Chee	林焯熾先生	Beneficial owner 實益擁有人	25,000,000	25,000,000
			75,000,000	75,000,000

The details of the personal interest of the directors' underlying shares in respect of share options granted by the Company are stated in the following section "Share Options Granted To Directors And Employees".

Save as disclosed above, none of the directors nor their associates of the Company had or was deemed to have any interest or short positions in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES

Particulars of the Company's share option scheme are set out in note 26 to the financial statements.

董事於股份及相關股份持有之權益及淡倉 (續)

好倉 (續)

(e) 認購股權

董事獲本公司授出有關認購本公司相關股份之認購股權，其所持之個人權益之詳情載列於下文「董事及僱員獲授予之認購股權」一節。

除上文所披露者外，各董事或任何彼等之聯繫人士並無或並無被視作於本公司或其任何相聯法團之股份或相關股份中擁有須載入根據證券及期貨條例第352條所存置之登記冊內，或根據上市規則所載之標準守則須知會本公司及聯交所之任何權益或淡倉。

董事及僱員獲授予之認購股權

本公司認購股權計劃之詳情載列於財務報表附註26。

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES (Continued)

董事及僱員獲授予之認購股權 (續)

The following table discloses movements in the Company's share options during the year:

本公司之認購股權於年內之變動於下表披露：

	Option grant date 認購股權授出日期	Exercise price 行使價 HK\$ 港元	Balance outstanding at beginning of the year 年初之餘額	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Balance outstanding at end of the year 年終之餘額
Directors						
董事						
Mr. Alvin LAM Kwing Wai 林焯偉先生	12th January, 2001 二零零一年一月十二日	0.26	9,000,000	-	-	9,000,000
Madam Rosita YUEN LAM Kit Woo 源林潔和女士	28th August, 2001 二零零一年八月二十八日	0.30	16,000,000	-	-	16,000,000
Mr. Laurent LAM Kwing Chee 林焯熾先生	12th January, 2001 二零零一年一月十二日	0.26	15,000,000	-	-	15,000,000
	28th August, 2001 二零零一年八月二十八日	0.30	10,000,000	-	-	10,000,000
Mr. TSANG Siu Hung 曾兆雄先生	30th January, 2001 二零零一年一月三十日	0.27	1,250,000	(1,250,000)	-	-
Total 合計			76,250,000	(1,250,000)	-	75,000,000
Employees						
僱員						
	12th January, 2001 二零零一年一月十二日	0.26	15,000,000	-	-	15,000,000
	30th January, 2001 二零零一年一月三十日	0.27	5,780,000	(5,180,000)	(600,000)	-
	28th August, 2001 二零零一年八月二十八日	0.30	10,000,000	-	-	10,000,000
Total 合計			30,780,000	(5,180,000)	(600,000)	25,000,000
Grand total 總計			107,030,000	(6,430,000)	(600,000)	100,000,000

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES (Continued)

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$0.35.

Save as disclosed above, none of the Directors nor their spouses or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed in the section headed "Share Options Granted To Directors And Employees" 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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year are set out in note 32 to the financial statements.

CONNECTED TRANSACTIONS

During the year, the Group rented a property owned by a landlord in which the Director of the Company, Mr. Alvin LAM Kwing Wai, had a beneficial interest. Total rental expenses incurred for the year amounted to HK\$960,000.

Save as disclosed above, in the opinion of the Directors, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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.

董事及僱員獲授予之認購股權 (續)

緊接認購股權獲行使之日前本公司股份之加權平均收市價為0.35港元。

除上文所披露者外，概無董事或其配偶或未滿十八歲之子女已獲授予或曾行使任何可認購本公司或其任何聯繫公司任何證券之權利。

購買股份或債券之安排

除上文「董事及僱員獲授予之認購股權」一節所披露者外，本公司或其任何附屬公司於本年度任何時期內概無訂立任何安排致使本公司董事可藉購入本公司或任何其他法團之股份或債券而獲益。

關連人士交易

本集團與關連人士於本年度內進行交易之詳情，列於財務報表附註32。

關連交易

於本年度內，本集團向本公司董事林焯偉先生租用一項其擁有實益權益之物業。本年度之租金支出總額為960,000港元。

除上文所披露者外，董事認為，概無其他交易須根據上市規則披露作關連交易。

董事於重大合約上之權益

本公司或其任何附屬公司概無訂立於本年度終結時仍有效或年度內任何時間曾有效而本公司董事擁有（不論直接或間接）重大權益之合約。

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, the Company had been notified of the following substantial shareholders' interest, being 5% or more of the Company's issued share capital:

Name of shareholder	Number of shares held	Percentage of the issued share capital of the Company
股東名稱	持有股數	本公司之已發行股本之百分比
Yuen Loong International Limited ("Yuen Loong")	385,052,026	29.46 (Note 1)
Chelsey Developments Ltd. ("Chelsey")	236,940,000	18.13 (Note 1)
Prosperity Investment Holdings Limited (formerly known as "GR Investment International Limited") ("Prosperity")	65,957,000	5.05 (Note 2)
嘉進投資國際有限公司(前稱「金源投資國際有限公司」)(「嘉進」)		

Notes:

- (1) Mr. David LAM Kwing Chan, a director of the Company, is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Alvin LAM Kwing Wai, a director of the Company, is a beneficiary of a discretionary trust which is interested in approximately 26% of the issued share capital of each of Yuen Loong and Chelsey. Madam LAM TSANG Suk Yee, a director of the Company, is a beneficiary of a discretionary trust which is interested in approximately 10% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Laurent LAM Kwing Chee, a director of the Company, is a beneficiary of a discretionary trust which is interested in approximately 14% of the issued share capital of each of Yuen Loong and Chelsey. Madam Rosita YUEN LAM Kit Woo, a director of the Company, is a beneficiary of a discretionary trust which is interested in approximately 9% of the issued share capital of each of Yuen Loong and Chelsey.

主要股東

於二零零五年三月三十一日，本公司根據證券及期貨條例第336條存置之主要股東名冊上所載，下列主要股東知會本公司其擁有5%或以上本公司之已發行股本：

Name of shareholder	Number of shares held	Percentage of the issued share capital of the Company
股東名稱	持有股數	本公司之已發行股本之百分比
Yuen Loong International Limited ("Yuen Loong")	385,052,026	29.46 (Note 1)
Chelsey Developments Ltd. ("Chelsey")	236,940,000	18.13 (Note 1)
Prosperity Investment Holdings Limited (formerly known as "GR Investment International Limited") ("Prosperity")	65,957,000	5.05 (Note 2)
嘉進投資國際有限公司(前稱「金源投資國際有限公司」)(「嘉進」)		

附註:

- (1) 本公司董事林焯燦先生分別擁有 Yuen Loong 及 Chelsey 已發行股本約 24% 權益。本公司董事林焯偉先生為一項全權信託（其分別擁有 Yuen Loong 及 Chelsey 已發行股本約 26% 權益）之全權受益人。本公司董事林曾淑儀女士為一項全權信託（其分別擁有 Yuen Loong 及 Chelsey 已發行股本約 10% 權益）之全權受益人。本公司董事林焯熾先生為一項全權信託（其分別擁有 Yuen Loong 及 Chelsey 已發行股本約 14% 權益）之全權受益人。本公司董事源林潔和女士為一項全權信託（其分別擁有 Yuen Loong 及 Chelsey 已發行股本約 9% 權益）之全權受益人。

SUBSTANTIAL SHAREHOLDERS (Continued)

Notes: (Continued)

- (2) The corporate interests of Prosperity were attributable on account through a number of its wholly-owned subsidiaries. Attentive Investments Limited held 65,957,000 shares of the Company and was a wholly-owned subsidiary of Genius Choice Investments Limited which in turn was a wholly-owned subsidiary of GR Investment Holdings Limited. GR Investment Holdings Limited was a wholly-owned subsidiary of Accufocus Investments Limited which in turn was a wholly-owned subsidiary of Prosperity. Accordingly, Genius Choice Investments Limited, GR Investment Holdings Limited, Accufocus Investments Limited and Prosperity were all deemed to be interested in the 65,957,000 shares of the Company held by Attentive Investments Limited.

Save as disclosed above, the Company has not been notified by any other person who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31st March, 2005.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$830,000.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of HK\$224 million and bank loans of HK\$22 million as at 31st March, 2005.

Out of the Group's bank loans outstanding at 31st March, 2005, approximately 66% (HK\$15 million) was secured whereas approximately 34% (HK\$7 million) was unsecured. All bank loans outstanding at 31st March, 2005 were wholly repayable within one year.

With cash and other current assets of HK\$669 million as at 31st March, 2005 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

MATERIAL ACQUISITION

During the year, the Group acquired the entire paid-up registered capital of Sun Kai Yip (Shanghai) Industrial Investment Co., Ltd. from Prosperity Investment Holdings Limited (formerly known as GR Investment International Limited) at a cash consideration of approximately HK\$65,123,000 (the "Purchase"). The terms of the Purchase were determined after arm's length negotiations and were concluded on normal commercial terms.

主要股東 (續)

附註: (續)

- (2) 嘉進之公司權益乃透過其若干全資附屬公司而持有。Attentive Investments Limited持有本公司65,957,000股股份，並為Genius Choice Investments Limited之全資附屬公司，而Genius Choice Investments Limited為金源創展有限公司（「金源創展」）之全資附屬公司。金源創展為Accufocus Investments Limited之全資附屬公司，而Accufocus Investments Limited為嘉進之全資附屬公司。因此，Genius Choice Investments Limited、金源創展、Accufocus Investments Limited及嘉進皆被視為於Attentive Investments Limited所持有本公司65,957,000股股份中擁有權益。

除上文所披露者外，於二零零五年三月三十一日，本公司並不知悉有任何其他人士擁有本公司之股份或相關股份並記錄於本公司根據證券及期貨條例第336條而存置之登記冊中之權益或淡倉。

慈善捐款

本集團本年度之慈善捐款約為830,000港元。

流動資金及財務資源

本集團於二零零五年三月三十一日持有現金結餘約為224,000,000港元及銀行貸款約為22,000,000港元。

於二零零五年三月三十一日本集團之未償還銀行貸款之中，其中大約66%（15,000,000港元）為有抵押貸款，而其餘約34%（7,000,000港元）為無抵押貸款。於二零零五年三月三十一日所有未償還之銀行貸款須於一年內悉數償還。

本集團於二零零五年三月三十一日之現金及其他流動資產共為669,000,000港元，連同可動用之銀行信貸，本集團擁有充裕之財務資源以應付其承擔及營運資金所需。

重要收購事項

本集團於年內向嘉進投資國際有限公司（前稱金源投資國際有限公司）收購新基業（上海）工業投資有限公司之全部繳足註冊資本，現金代價約為65,123,000港元（「購買」）。該項購買之條款乃經公平磋商後釐定，並按一般商業條款達成。

NET ASSET VALUE

The net asset value of the Group as at 31st March, 2005 was HK\$0.68 per share based on 1,306,906,460 shares in issue as at that date.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 424.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31st March, 2005, the five largest customers of the Group accounted for approximately 69% by value of the Group's turnover and the five largest suppliers accounted for approximately 77% by value of the Group's total purchases. Approximately 34% of the Group's turnover and approximately 51% of the Group's total purchases were attributable to the Group's largest customer and supplier respectively.

Cousins of the Company's Directors (Mr. David LAM Kwing Chan, Mr. Alvin LAM Kwing Wai, Madam Rosita YUEN LAM Kit Woo and Mr. Laurent LAM Kwing Chee) had beneficial interests in the Group's largest supplier. The Group held 40% beneficial interest in this largest supplier.

Save as disclosed above and as far as the Company's Directors are aware, none of the Directors of the Company or any of their other associates, or any shareholders (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and five largest suppliers.

資產淨值

根據二零零五年三月三十一日已發行股本之實際數目1,306,906,460股計算，本集團於該日之資產淨值為每股0.68港元。

僱員及酬金政策

本集團僱員總數約為424名。

本集團不時檢討薪酬組合。除支付薪金外，其他員工福利包括退休福利計劃及醫療保險計劃，並為若干員工提供宿舍及住屋津貼。本集團並為某些高級職員和須經常到海外公幹之職員購買個人意外保險。

主要客戶及供應商

截至二零零五年三月三十一日止財政年度內，本集團五大客戶佔本集團營業額約69%，而五大供應商則佔本集團採購總額約77%。本集團之最大客戶及供應商所佔本年度之營業及採購總額分別約為34%及51%。

本公司董事（林焯燦先生、林焯偉先生、源林潔和女士及林焯熾先生）之堂兄弟及表兄弟於本集團之最大供應商持有實益權益。本集團持有此最大供應商之40%實益權益。

除上述所披露者外及據本公司之董事所知，本公司董事或董事之其他任何聯繫人士或任何股東（據董事所知持有逾5%本公司之已發行股本者）概無於本集團五名最大客戶及五名最大供應商中持有任何實益權益。

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules throughout the financial year ended 31st March, 2005 except that the independent non-executive directors of the Company are not appointed for a specific term 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 Bye-Laws.

AUDIT COMMITTEE

The audit committee, comprising independent non-executive directors, Mr. Andrew LAM Ping Cheung, Mr. Leo CHAN Fai Yue and Mr. John WONG Yik Chung, had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31st March, 2005.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the financial year ended 31st March, 2005.

PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the directors of the Company, over 25% of the issued share capital of the Company was held by the public as required under the Listing Rules.

最佳應用守則

董事局認為，本公司於截至二零零五年三月三十一日止之財政年度內，一直遵守上市規則附錄十四所載之最佳應用守則，惟本公司獨立非執行董事並無指定任期，而須根據本公司細則規定，於本公司股東週年大會上輪值告退及膺選連任。

審核委員會

由獨立非執行董事林炳昌先生、陳輝虞先生和黃翼忠先生組成之審核委員會已聯同管理人員檢討本集團所採納之會計政策及慣例，並商討審計、內部監控及財務申報事宜，當中包括審閱本集團截至二零零五年三月三十一日止年度之經審核財務報告。

遵守標準守則

本公司一直採納上市規則附錄十所載的標準守則。經本公司特定查詢後，全體董事均確認他們在截至二零零五年三月三十一日止之財政年度內已完全遵從標準守則所規定的準則。

公眾持股量

於本報告刊發日期，根據本公司獲得的公開資料及據本公司董事知悉，本公司擁有足夠的公眾持股量，即不少於上市規則規定下本公司已發行股份的25%。

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

Advances to entities under Rule 13.13

Loans advanced, and guarantees given for facilities granted, to entities by the Group which individually exceeded 8% of the relevant percentage ratios under Rule 13.13 of the Listing Rules as at 31st March, 2005 are as follows:

根據上市規則第13.13及13.16條作出之披露

根據第13.13條向實體提供之貸款

本集團於二零零五年三月三十一日向實體提供之貸款及就實體獲授融資所提供之擔保·其個別金額超過上市規則第13.13條規定之有關百分比 8%之貸款及擔保如下:

Entities	Attributable interest held by the Group	Non-interest bearing advances (A)	Guarantees given (B)	Extent of guaranteed facilities utilised	Aggregate of advances and guarantees given (A + B)	Notes
實體	本集團持有之應佔權益 % 百分比	免息貸款 (A) HK\$'000 千港元	提供之擔保(B) HK\$'000 千港元	已動用之擔保 融資額 HK\$'000 千港元	貸款及提供之擔保總額 (A+B) HK\$'000 千港元	附註
Sirinumma Company Limited	40.00	5,644	25,185	-	30,829	a
Siripattana Rice Company Limited	69.40	5,901	26,060	3,963	31,961	b, c
Siripattana Rice Company Limited and Golden Resources Export (Thailand) Company Limited	69.40 and 69.40 respectively 分別為69.40及69.40	-	19,500	16,449	19,500	d
Sirinumma Company Limited and Siripattana Rice Company Limited	40.00 and 69.40 respectively 分別為40.00及69.40	-	27,300	26,249	27,300	e
Aggregate of Sirinumma Company Limited and its subsidiaries						
Sirinumma Company Limited 與其附屬公司合計		11,545	98,045	46,661	109,590	f

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES (Continued)

根據上市規則第13.13及13.16條作出之披露(續)

Advances to entities under Rule 13.13 (Continued)

根據第13.13條向實體提供之貸款(續)

Entities	Attributable interest held by the Group	Non-interest bearing advances (A)	Guarantees given (B)	Extent of guaranteed facilities utilised	Aggregate of advances and guarantees given (A + B)	Notes
實體	本集團持有之應佔權益 % 百分比	免息貸款 (A) HK\$'000 千港元	提供之擔保(B) HK\$'000 千港元	已動用之擔保 融資額 HK\$'000 千港元	貸款及提供之擔保總額 (A+B) HK\$'000 千港元	附註
Dragon Fortune Limited	10.00	25,213	-	-	25,213	g
Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Company Limited 廣盛華僑(大亞灣)房產開發有限公司	8.00	-	7,539	6,570	7,539	h
Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited 廣盛華僑(大亞灣)投資有限公司	8.00	-	5,475	4,380	5,475	i
Aggregate of Dragon Fortune Limited and its subsidiaries Dragon Fortune Limited 與其附屬公司合計		25,213	13,014	10,950	38,227	f

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES (Continued)
Financial assistance to and guarantees given for facilities granted to the Company's affiliated companies by the Group under Rule 13.16

Financial assistance, and guarantees given for facilities granted, to the Company's affiliated companies by the Group which in aggregate exceeded 8% of the relevant percentage ratios under Rule 13.16 of the Listing Rules as at 31st March, 2005 are as follows:

根據上市規則第13.13及13.16條作出之披露(續)

本集團根據第13.16條向本公司之聯屬公司提供之財務資助及就本公司之聯屬公司獲授融資所提供之擔保

本集團於二零零五年三月三十一日向本公司之聯屬公司提供之財務資助及就本公司之聯屬公司獲授融資所提供之擔保，合計金額超過上市規則第13.16條規定之有關百分比 8%之財務資助及擔保如下：

Affiliated companies 聯屬公司	Attributable interest held by the Group 本集團 持有之 應佔權益 %	Non-interest bearing advances (A) 免息貸款 (A) HK\$'000 千港元	Guarantees given (B) 提供之 擔保 (B) HK\$'000 千港元	Extent of guaranteed facilities utilised 已動用 之擔保 融資額 HK\$'000 千港元	Aggregate of advances and guarantees given (A + B) 貸款及提供 之擔保總額 (A+B) HK\$'000 千港元	Notes 附註
Aggregate of Sirinumma Company Limited and its subsidiaries Sirinumma Company Limited 與其附屬公司合計		11,545	98,045	46,661	109,590	a-f
Golden World Enterprises (Wuhan) Limited 金源世界企業(武漢)有限公司	25.50	5,938	-	-	5,938	g
Clever Time Investments Limited	31.80	17,756	-	-	17,756	g
Supreme Development Company Limited 超然製品廠有限公司	41.16	2,459	-	-	2,459	g
Wellight Development Limited	37.50	7,787	-	-	7,787	g
Total 總計		45,485	98,045	46,661	143,530	j

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES (Continued)

The proforma combined balance sheet of the above affiliated companies as at 31st March, 2005 is as follows:

		HK\$'000 千港元
Non-current assets	非流動資產	66,598
Current assets	流動資產	82,286
Current liabilities	流動負債	(84,674)
Net current liabilities	流動負債淨值	(2,388)
Non-current liabilities	非流動負債	(45,409)
Shareholders' funds	股東權益	18,801

Details of the above affiliated companies are set out in note 15 to the financial statements.

Notes:

- (a) The advance was made pursuant to a loan agreement dated 30th August, 2002 entered into between Cost Logistics Limited, an indirect wholly-owned subsidiary of the Company ("Cost Logistics"), as lender and Sirinumma Company Limited ("Sirinumma") as borrower. The advance was interest-free, repayable on demand and secured by the shares in Siripattana Rice Company Limited ("Siripattana") that would be allotted and issued to Sirinumma as a result of Sirinumma's additional capital contribution to Siripattana.
- (b) The advances included a shareholder's loan pursuant to loan agreement dated 29th March, 2005 entered into between Cost Logistics as lender and Siripattana as borrower, and current account balances for expenses incurred by Siripattana but paid by Cost Logistics for Siripattana. The advances were interest-free, unsecured and repayable on demand.
- (c) Siripattana is the Company's associated company and is accounted for using equity accounting method as the entire issued share capital of Siripattana is held as to 51% by Sirinumma (40% of which entire issued share capital is indirectly owned by the Company) and as to 49% by Cost Logistics.
- (d) The guarantee was given for banking facilities granted to Siripattana and Golden Resources Export (Thailand) Company Limited. Golden Resources Export (Thailand) Company Limited is a direct wholly-owned subsidiary of Siripattana.

根據上市規則第13.13及13.16條作出之披露 (續)

上述聯屬公司於二零零五年三月三十一日之備考合併資產負債表如下：

上述聯屬公司之詳情載列於財務報表附註15。

附註：

- (a) 該項貸款乃根據本公司之間接全資附屬公司 Cost Logistics Limited (「Cost Logistics」) 作為貸方與 Sirinumma Company Limited (「Sirinumma」) 作為借方於二零零二年八月三十日訂立之貸款協議而提供。該項貸款為免息、須按通知償還及以基於 Sirinumma 向 Siripattana Rice Company Limited (「Siripattana」) 額外出資而將會配發及發行予 Sirinumma 之 Siripattana 股份作抵押。
- (b) 該等貸款包括一項根據 Cost Logistics 作為貸方與 Siripattana 作為借方於二零零五年三月二十九日訂立之貸款協議之股東貸款及 Cost Logistics 代 Siripattana 支付其支出之往來賬結餘。該等貸款為免息、無抵押及須按通知償還。
- (c) Siripattana 之全部已發行股本由 Sirinumma 持有 51% (而 Sirinumma 之 40% 全部已發行股本由本公司間接持有)，另由 Cost Logistics 持有 49%，故 Siripattana 為本公司之聯營公司及以權益會計法入賬。
- (d) 該擔保乃就 Siripattana 及 Golden Resources Export (Thailand) Company Limited 獲授之銀行融資而提供。Golden Resources Export (Thailand) Company Limited 為 Siripattana 之直接全資附屬公司。

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES *(Continued)*

Notes: *(Continued)*

- (e) The guarantee was given for banking facilities granted to Sirinumma and Siripattana.
- (f) Aggregated pursuant to Rule 13.11(2)(c) of the Listing Rules.
- (g) The advances were made as shareholder's loans to finance the investments or working capital of respective entity or affiliated company. The advances were interest-free, unsecured and repayable on demand.
- (h) The guarantee was given for loan facilities granted to Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Company Limited ("FL Real Estate"). FL Real Estate is owned as to 80% by Fortune Leader Investment Limited ("FL Investment"), a direct wholly-owned subsidiary of Dragon Fortune Limited, and as to 20% by an Independent Third Party.
- (i) The guarantee was given for loan facilities granted to Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited ("FL Overseas"). FL Overseas is owned as to 80% by FL Investment, a direct wholly-owned subsidiary of Dragon Fortune Limited, and as to 20% by an Independent Third Party.
- (j) Aggregated pursuant to Rule 13.16 of the Listing Rules.

根據上市規則第13.13及13.16條作出之披露 (續)

附註: (續)

- (e) 該擔保乃就Sirinumma 及Siripattana獲授之銀行融資而提供。
- (f) 根據上市規則第13.11(2)(c)條合計。
- (g) 該等貸款乃以股東貸款形式向個別實體或聯屬公司提供以應付其等各自之投資或營運資金所需，該等貸款為免息、無抵押及須按通知償還。
- (h) 該擔保乃就廣盛華僑(大亞灣)房產開發有限公司(「廣華房產」)獲授之信貸而提供。廣華房產由Dragon Fortune Limited之直接全資附屬公司廣盛投資有限公司(「廣盛投資」)持有80%，另由獨立第三者持有20%。
- (i) 該擔保乃就廣盛華僑(大亞灣)投資有限公司(「廣華投資」)獲授之信貸而提供。廣華投資由Dragon Fortune Limited之直接全資附屬公司廣盛投資持有80%，另由獨立第三者持有20%。
- (j) 根據上市規則第13.16條合計。

AUDITORS

The consolidated financial statements of the Group for the years ended 31st March, 2003 and 2004 were audited by Deloitte Touche Tohmatsu.

During the year, Messrs. Deloitte Touche Tohmatsu resigned and KLL Associates CPA Limited were appointed as auditors of the Company on 15th April, 2005. The consolidated financial statements of the Group for the year ended 31st March, 2005 were audited by KLL Associates CPA Limited.

A resolution will be submitted to the forthcoming Annual General Meeting to re-appoint KLL Associates CPA Limited as auditors of the Company.

On behalf of the Board

Alvin LAM Kwing Wai
Managing Director

Hong Kong, 12th July, 2005

核數師

本集團截至二零零三年及二零零四年三月三十一日止年度之綜合財務報表為經德勤•關黃陳方會計師行審核。

德勤•關黃陳方會計師行於年內辭任，而華融會計師事務所有限公司於二零零五年四月十五日獲聘任為本公司之核數師。本集團截至二零零五年三月三十一日止年度之綜合財務報表為經華融會計師事務所有限公司審核。

本公司將於應屆股東週年大會提呈一項決議案，續聘華融會計師事務所有限公司為本公司核數師。

代表董事會

董事總經理
林焯偉

香港，二零零五年七月十二日