

Directors' Report

董事會報告

The board of directors (the "Board") of the Company has pleasure in submitting to the shareholders their report and the financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

Principal Activities

The principal activity of the Company is investment holding and the principal activities of its subsidiaries and jointly controlled entities are the provision of property management and facility management services, security services, cleaning services, laundry services, repair and maintenance works and trading of related products.

Particulars of the subsidiaries and jointly controlled entities of the Company are set out in note 36 and note 18 to the financial statements, respectively.

Segment Information

Details of segment information are set out in note 6 to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31 March 2006 are set out in the consolidated income statement on page 63 and the state of affairs of the Group and the Company as at 31 March 2006 are set out in the balance sheets on page 64.

An interim dividend of 2.5 HK cents per share for the six months ended 30 September 2005 was paid to the shareholders of the Company on Wednesday, 11 January 2006.

The Board recommended the payment of a final dividend of 4.5 HK cents per share (2005: 4.0 HK cents per share) for the year ended 31 March 2006 to shareholders whose names appear on the register of members of the Company on Friday, 8 September 2006. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid on Friday, 15 September 2006. Together with the interim dividend paid, total dividend for the year will amount to 7.0 HK cents per share (2005: 6.0 HK cents per share).

The register of members of the Company will be closed from Tuesday, 5 September 2006 to Friday, 8 September 2006 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Monday, 4 September 2006.

本公司董事會（「董事會」）欣然向各股東提呈其報告連同本公司及其附屬公司（「本集團」）截至二零零六年三月三十一日止年度之財務報表。

主要業務

本公司之主要業務為投資控股，其附屬公司及共同控制實體之主要業務為提供物業管理及設施管理服務、保安服務、清潔服務、洗衣服務、維修及保養工程，以及相關產品貿易。

本公司附屬公司及共同控制實體之詳情分別載於財務報表附註36及附註18。

分部資料

分部資料詳情載於財務報表附註6。

業績及分派

本集團截至二零零六年三月三十一日止年度之業績載於第63頁之綜合損益表。本集團及本公司於二零零六年三月三十一日之財政狀況載於第64頁之資產負債表。

本公司已於二零零六年一月十一日（星期三）向股東派付截至二零零五年九月三十日止六個月之中期股息每股港幣2.5仙。

董事會建議向於二零零六年九月八日（星期五）名列本公司股東名冊之股東派付截至二零零六年三月三十一日止年度之末期股息每股港幣4.5仙（二零零五年：每股港幣4.0仙）。待股東於本公司應屆股東週年大會上作出批准後，末期股息將於二零零六年九月十五日（星期五）派付。連同已派付之中期股息，本年度之股息總額為每股港幣7.0仙（二零零五年：每股港幣6.0仙）。

本公司將於二零零六年九月五日（星期二）起至二零零六年九月八日（星期五）止（首尾兩天包括在內）期間暫停辦理股份過戶登記手續。為確保合資格獲派擬派之末期股息，所有股份過戶文件連同有關股票須於二零零六年九月四日（星期一）下午四時正前送達本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心17樓1712-1716室，辦理過戶登記手續。

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Reserves

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 65 and in note 27 to the financial statements, respectively.

Five Year Financial Summary

A summary of the operating results and of the assets and liabilities of the Group for the last five financial years is set out on page 111. This summary does not form part of the financial statements.

Property, plant and equipment

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

Share Capital

There was no movement in the share capital of the Company during the year. Details of the share capital of the Company are set out in note 26 to the financial statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2006, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to HK\$99,262,000 (2005: HK\$94,968,000).

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's by-laws (the "Bye-laws") although there is no restriction against such rights under the laws of Bermuda.

Directors

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

Independent Non-executive Chairman

Woo Chia Wei

Executive Directors

Fung Yi Hao, Yvette (*Deputy Chairman*)

Fan Cheuk Hung (*Managing Director*)

Non-executive Directors

Lai Ming, Joseph

(retired on 28 July 2005)

Kwong Ki Chi

儲備

本集團及本公司於年內之儲備變動詳情分別載於第65頁之綜合權益變動表及財務報表附註27。

五年財務摘要

本集團於過去五個財政年度之經營業績與資產及負債概要載於第111頁。此概要並不構成財務報表之一部份。

物業、廠房及設備

本公司及本集團物業、廠房及設備之變動詳情載於財務報表附註15。

股本

年內，本公司之股本並無任何變動。本公司之股本詳情載於財務報表附註26。

可供分派儲備

本公司於二零零六年三月三十一日之可供分派儲備乃根據百慕達一九八一年公司法（經修訂）計算，金額為港幣99,262,000元（二零零五年：港幣94,968,000元）。

優先購股權

本公司章程細則（「章程細則」）並無優先購股權之條文，惟百慕達法例亦無就該等權力設有任何限制。

董事

於年內及截至本報告日期止，本公司董事如下：

獨立非執行主席

吳家瑋

執行董事

葉儀皓（副主席）

樊卓雄（董事總經理）

非執行董事

黎明

（於二零零五年七月二十八日退任）

鄺其志

Directors (Continued)

Independent Non-executive Directors

Shih Wing Ching	(retired on 28 July 2005)
Tsang Cheung	
Tsui Yiu Wa, Alec	
Nicholas David Swain	(appointed on 1 June 2005)

Alternate Director

Barry John Buttifant (*alternate to Fung Yi Hao, Yvette*)

The biographical details of the directors are set out on pages 26 to 29 of this annual report.

In accordance with Bye-laws 87(1) and (2), Professor Woo Chia Wei, Mrs. Fung Yi Hao, Yvette and Mr. Fan Cheuk Hung, who have been longest in office since their appointment, shall retire by rotation at the forthcoming annual general meeting of the Company. All the retiring directors, being eligible, have offered themselves for re-election. Subject to re-election of Mrs. Fung Yi Hao, Yvette by the shareholders at the forthcoming annual general meeting, Mr. Barry John Buttifant shall continue to act as her alternate director. Other remaining directors of the Company shall continue in office.

The Company has received from each of Professor Woo Chia Wei, Mr. Tsang Cheung, Mr. Tsui Yiu Wa, Alec and Mr. Nicholas David Swain an annual confirmation of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Company considers that all these independent non-executive directors continue to be independent.

The non-executive director and independent non-executive directors of the Company were not appointed for a specific term of office but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.

Directors' Service Contracts

Each of Mrs. Fung Yi Hao, Yvette and Mr. Fan Cheuk Hung has entered into a service agreement dated 16 September 2003 with the Company for an initial fixed period of two years and has continued thereafter until terminated by either party giving to the other party not less than three months' notice in writing.

Save as disclosed above, none of the directors offering themselves for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

董事 (續)

獨立非執行董事

施永青	(於二零零五年七月二十八日退休)
曾祥	
徐耀華	
Nicholas David Swain	(於二零零五年六月一日獲委任)

替代董事

Barry John Buttifant (*葉儀皓的替代董事*)

董事之履歷詳情載於本年報第26至29頁。

根據章程細則第87(1)及(2)條之規定，吳家璋教授、葉儀皓女士及樊卓雄先生(彼等為獲委任以來任期最長之董事)須於本公司應屆股東週年大會上輪值告退。所有退任董事均符合資格並願意膺選連任。倘葉儀皓女士於應屆股東週年大會上獲股東重選為董事，Barry John Buttifant先生將繼續擔任葉儀皓女士之替代董事。本公司餘下的其他董事將繼續留任。

本公司已接獲吳家璋教授、曾祥先生、徐耀華先生及 Nicholas David Swain 先生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條之規定就彼等之獨立性而發出之年度確認函，而本公司認為所有上述獨立非執行董事一直保持獨立。

本公司之非執行董事及獨立非執行董事均無指定任期，惟彼等須根據章程細則之規定，在本公司之股東週年大會上輪值告退並膺選連任。

董事之服務合約

葉儀皓女士及樊卓雄先生各自於二零零三年九月十六日與本公司訂立服務協議，初步固定年期訂為兩年，及隨後一直存續，直至任何一方向另一方發出不少於三個月書面通知予以終止為止。

除上文所披露者外，於本公司應屆股東週年大會上願意接受重選之董事概無與本公司或其任何附屬公司簽訂任何不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

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Directors' Interests in Contracts

No contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries, fellow subsidiaries or holding companies 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.

Directors' emoluments

Details of directors' emoluments are set out in note 10 to the financial statements.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 March 2006, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise required to be 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") of the Listing Rules, were as follows:

Long positions in ordinary shares of HK\$0.10 each of the Company

董事於合約之權益

於年終或年內任何時間，概無訂立與本集團業務有關，而本公司，或其任何附屬公司，同系附屬公司或控股公司為其中一方，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。

董事酬金

董事酬金之詳情載於財務報表附註10。

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有的權益及淡倉

於二零零六年三月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條本公司須予存置之登記冊所記錄，或根據上市規則有關上市發行人董事進行證券交易之標準守則（「標準守則」）須通知本公司及香港聯合交易所有限公司（「聯交所」），本公司各董事及行政總裁及彼等之聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有的權益及淡倉如下：

於本公司每股面值港幣0.10元普通股之好倉

Name of director 董事姓名	Capacity 身份	Number of ordinary shares of HK\$0.10 each held 持有每股面值港幣0.10元之普通股數目				Total 總計	Percentage of interest in issued share capital 佔已發行股本之權益百分比 (note (iii)) (附註(iii))
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Fan Cheuk Hung 樊卓雄	Beneficial owner 實益擁有人	11,616,000	-	-	-	11,616,000	3.50%

Long positions in ordinary shares of HK\$0.10 each of Hsin Chong International Holdings Limited – an associated corporation (see notes (i) and (ii))

於相聯法團Hsin Chong International Holdings Limited每股面值港幣0.10元普通股之好倉 (見附註(i)及(ii))

Name of director 董事姓名	Capacity 身份	Number of ordinary shares of HK\$0.10 each held 持有每股面值港幣0.10元之普通股數目				Total 總計	Percentage of interest in issued share capital 佔已發行股本之權益百分比 (note (iv)) (附註(iv))
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Fung Yi Hao, Yvette 葉儀皓	Beneficial owner (note (i)) 實益擁有人 (附註(i))	3,470,634	-	-	-	3,470,634	2.13%

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

Notes:

- (i) Hsin Chong International Holdings Limited ("HCI Holdings") is the ultimate holding company of Hsin Chong Holdings (H.K.) Limited ("HCHK") which held an interest in 220,448,000 shares of the Company as at 31 March 2006. By virtue of the SFO, HCI Holdings was deemed to be interested in the same lot of 220,448,000 shares of the Company, representing 66.40% of the issued share capital of the Company, as at 31 March 2006.

On 6 June 2006, Mrs. Fung Yi Hao, Yvette (an executive director and the deputy chairman of the Company and the daughter of Dr. Yeh Meou Tsen, Geoffrey, a controlling shareholder of the Company) had notified the Company to rectify and re-state her interest in the Company such that by virtue of the SFO, she has never had any notifiable interest in the Company's shares since the listing of the Company on the Stock Exchange and she is all along only holding a 2.13% beneficial interest in HCI Holdings, the ultimate holding company and hence an associated corporation of the Company pursuant to the SFO. In accordance with section 344 of the SFO, by virtue of the 2.13% shareholding interest held by Mrs. Fung Yi Hao, Yvette in HCI Holdings, HCI Holdings is not taken as her controlled corporation. Accordingly, the interest of Mrs. Fung Yi Hao, Yvette in the Company and its associated corporations as recorded in the register required to be kept under section 352 of the SFO has been rectified and shown above.

- (ii) As at 31 March 2006, HCI Holdings continued to remain as a controlling shareholder of the Company holding a deemed interest in 66.40% of the Company's issued shares. Please refer to the paragraph titled "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company" for the shareholding structure and other details of HCI Holdings.
- (iii) The percentage of interest in issued share capital was calculated on the basis of 332,000,000 shares of the Company in issue as at 31 March 2006.
- (iv) The percentage of interest in issued share capital was calculated on the basis of 163,183,510 shares of HCI Holdings in issue as at 31 March 2006.

Save as disclosed above, as at 31 March 2006, none of the directors and chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有的權益及淡倉 (續)

附註:

- (i) Hsin Chong International Holdings Limited (「新昌國際」) 乃新昌集團(香港)有限公司(「新昌香港」)之最終控股公司。於二零零六年三月三十一日,新昌香港持有220,448,000股本公司股份。根據證券及期貨條例,新昌國際被視為於同一批220,448,000股本公司股份中擁有權益,佔本公司於二零零六年三月三十一日之已發行股本66.40%。

於二零零六年六月六日,葉儀皓女士(本公司執行董事兼副主席,並為本公司控股股東葉謀博士之女兒)通知本公司更正並重列其於本公司之權益,致使根據證券及期貨條例之規定,葉儀皓女士自本公司在聯交所上市以來,從未在本公司股份中擁有任何須予披露之權益,而彼一直以來僅持有新昌國際(本公司之最終控股公司,故根據證券及期貨條例之規定為本公司之相聯法團)2.13%之實益權益。根據證券及期貨條例第344條之規定,鑑於葉儀皓女士持有新昌國際2.13%股權,故新昌國際並未被視為其受控法團。因此,記錄於根據證券及期貨條例第352條須予存置之登記冊內有關葉儀皓女士於本公司及其相聯法團之權益已予以更正並載列如上。

- (ii) 於二零零六年三月三十一日,新昌國際繼續為本公司之控股股東,其被視為擁有本公司已發行股份之66.40%。有關新昌國際之股權架構及其他資料,請參閱「主要股東於本公司股份及相關股份中擁有之權益及淡倉」一段。
- (iii) 佔已發行股本百分比之權益乃按於二零零六年三月三十一日本公司之已發行股份332,000,000股為計算基準。
- (iv) 佔已發行股本百分比之權益乃按於二零零六年三月三十一日新昌國際之已發行股份163,183,510股為計算基準。

除上文所披露者外,於二零零六年三月三十一日,本公司各董事及行政總裁或彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例)之股份、相關股份及債券中擁有任何權益或淡倉而記錄於根據證券及期貨條例第352條本公司須予存置之登記冊內,或根據標準守則須知會本公司及聯交所。

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董事會報告

Share Option Scheme

The Company has adopted a share option scheme (the "Scheme") on 19 September 2003 pursuant to the shareholders' resolutions of the Company passed on 19 September 2003. Details of the Scheme as required to be disclosed under Chapter 17 of the Listing Rules are set out below:

(1) Summary of the Scheme

(a) Purpose of the Scheme

The Scheme is set up for the purpose of recognising and motivating the contribution of the Eligible Persons (as defined below) to the Company and/or any of its subsidiaries and/or any Invested Entity (as defined below).

(b) Participants of the Scheme

Eligible persons entitled to participate in the Scheme (the "Eligible Persons") shall include:

- (i) any employee (whether full time or part time) of the Company, any of its subsidiaries, or any entity in which the Company or any of its subsidiaries holds an equity interest (the "Invested Entity"), including any executive director of the Company, any of its subsidiaries or any Invested Entity but excluding any employee employed or to be employed by the Company, any of its subsidiaries or any Invested Entity in The People's Republic of China (which, for the purposes of the Scheme, shall exclude Hong Kong, Macau and Taiwan);
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- (iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to the Company, any of its subsidiaries or any Invested Entity;
- (v) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;
- (vi) any business collaborator, business consultant, joint venture or business partner, or technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity;

購股權計劃

根據本公司股東於二零零三年九月十九日通過之決議案，本公司於二零零三年九月十九日採納一項購股權計劃（「該計劃」）。根據上市規則第17章之規定須予披露有關該計劃之詳情如下：

(1) 該計劃之摘要

(a) 該計劃之目的

該計劃旨在認許及激勵合資格人士（定義見下文）為本公司及／或其任何附屬公司及／或任何投資實體（定義見下文）作出貢獻。

(b) 該計劃之參與者

可參與該計劃之合資格人士（「合資格人士」）包括：

- (i) 本公司、其任何附屬公司、或本公司或其任何附屬公司持有任何股本權益之任何實體（「投資實體」）之任何僱員（不論全職或兼職），包括本公司、其任何附屬公司或任何投資實體之任何執行董事，惟不包括本公司或其任何附屬公司或任何投資實體於中華人民共和國（就該計劃而言，不包括香港、澳門及台灣）僱用或將予僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體的任何非執行董事（包括任何獨立非執行董事）；
- (iii) 本公司、其任何附屬公司或任何投資實體之任何股東或本公司、其任何附屬公司或任何投資實體所發行任何證券之持有人，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；
- (iv) 向本公司、其任何附屬公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (v) 本公司、其任何附屬公司或任何投資實體的任何貨品及／或服務供應商；
- (vi) 與本公司、其任何附屬公司或任何投資實體已訂約之任何業務合作方、業務顧問、合資公司或業務夥伴、或技術、財務、法律及其他專業顧問；

Share Option Scheme (Continued)

(1) Summary of the Scheme (Continued)

- (vii) any associate (as defined under the Listing Rules) of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity; or
- (viii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons,

and, for the purposes of the Scheme, the options may be granted to any company wholly owned by one or more of the above Eligible Persons.

(c) Maximum number of shares available for issue under the Scheme

A total of 33,200,000 shares of the Company (the "Shares") is available for issue for options granted under the Scheme which represents 10% of the issued share capital of the Company as at the date of this annual report.

(d) Maximum entitlement of each Eligible Person under the Scheme

No option may be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of Shares already issued to such Eligible Person under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month period.

Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to such person in a 12-month period up to and including the date of the grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of grant in excess of HK\$5.0 million,

such grant of option shall be subject to prior approval of the shareholders of the Company who are not connected persons of the Company as defined in the Listing Rules.

(e) Period for and payment on acceptance of an option

An offer for the grant of an option must be accepted by an Eligible Person (and by no other person except the Eligible Person) in respect of all the Shares for which the offer is made. Acceptance shall be made by such Eligible Person by signing the duplicate of the offer letter and the payment of HK\$1.00 as consideration for such grant to the Company within the time period specified in the offer letter.

購股權計劃 (續)

(1) 該計劃之摘要 (續)

- (vii) 本公司、其任何附屬公司或任何投資實體之董事或主要股東之任何聯繫人(定義見上市規則),而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者;或
- (viii) 經董事會預先批准之任何信託之受託人,其受益人(或倘為全權信託,則為受益對象)包括任何上述人士,

及就該計劃而言,購股權可授予任何由一名或以上之上述合資格人士全資擁有之任何公司。

(c) 根據該計劃可予發行之股份數目上限

根據該計劃授出之購股權可予發行之股份總數為33,200,000股本公司股份(「股份」),佔本公司於本年報日期之已發行股本之10%。

(d) 該計劃下每位合資格人士可獲授購股權之上限

倘於任何12個月內向任何一位合資格人士授出之購股權獲悉數行使時,將導致該合資格人士因過往獲授及已行使之所有購股權而獲發的股份,及過往獲授仍有效且未行使之所有購股權而須予發行之股份,合計總數超過於該12個月內最後一日之本公司已發行股本之1%,則不可向該合資格人士授出有關購股權。

倘向本公司之主要股東或獨立非執行董事或彼等各自任何聯繫人(定義見上市規則)授出購股權,而將會導致於截至(及包括)授出日期止之12個月期間向該人士已授出及將授出之一切購股權獲行使而已發行及將予發行之股份:

- (i) 合共佔已發行股份之0.1%以上;及
- (ii) 根據於授出日期聯交所發出之每日報價表所述股份之收市價計算,總值超過港幣5,000,000元,

則授出該項購股權須取得並非本公司關連人士(定義見上市規則)之本公司股東事先批准。

(e) 接納購股權之期限及付款

合資格人士(不可為該合資格人士以外的其他人士)可就其獲授之購股權下全部股份接納有關授出購股權的要約。接納要約須於要約函件指定時間內,由該合資格人士將要約函件副本正式簽妥並連同港幣1.00元作為有關授出之代價交予本公司。

Directors' Report 董事會報告

Share Option Scheme (Continued)

(1) Summary of the Scheme (Continued)

(f) The basis of determining the subscription price

The subscription price for Shares under the Scheme shall be a price determined by the Board and notified to each grantee and shall not be less than the highest of (i) the nominal value of a Share; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer for grant of an option (the "Offer Date") is made to an Eligible Person; and (iii) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Offer Date which must be a business day, provided that the subscription price shall be rounded upwards to the nearest whole cent.

(g) Remaining life

The Scheme shall be valid and effective for a period of 10 years commencing on 19 September 2003, the date of the adoption of the Scheme, unless otherwise terminated in accordance with the terms of the Scheme.

(2) Details of options granted

No option was granted under the Scheme since its adoption.

Directors' Right to Acquire Shares or Debentures

The Company has a share option scheme adopted on 19 September 2003 pursuant to which options may be granted, inter alia, to directors of the Company. Details of the share option scheme are set out in the paragraph titled "Share Option Scheme" above.

There were no options granted to any directors of the Company since the adoption of the said share option scheme.

Save 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.

Director's Interest in Competing Business

Mr. Kwong Ki Chi is the non-executive director of both Hsin Chong Construction Group Ltd. and the Company, both of which have subsidiaries engaged in the facility management business. Mr. Kwong was therefore regarded as a director having interest in business which competed or was likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10(2) of the Listing Rules during the year.

Save as disclosed above, none of the directors of the Company were interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year.

購股權計劃 (續)

(1) 該計劃摘要 (續)

(f) 釐定認購價之基準

該計劃下之股份認購價由董事會釐定及知會各承授人，惟不得低於下列三者中的最高者：(i) 股份之面值；(ii) 於緊接授出購股權要約予合資格人士日期（「要約日期」）前五個營業日股份在聯交所每日報價表所載之平均收市價；及(iii) 於要約日期（必須為營業日）股份在聯交所每日報價表所載之收市價，惟認購價須上調至最近一仙。

(g) 該計劃之期限

除根據該計劃之條款予以終止外，該計劃由二零零三年九月十九日（即其採納日期）起計10年期間內有效。

(2) 已授出購股權詳情

自該計劃獲採納以來，本公司概無據此授出購股權。

董事認購股份或債券之權利

本公司於二零零三年九月十九日採納一項購股權計劃。據此，本公司可授出購股權予（其中包括）本公司董事。購股權計劃之詳情載於上文「購股權計劃」一段內。

自上述購股權計劃獲採納以來，概無授出購股權予任何本公司董事。

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使本公司董事可透過購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

董事於競爭業務之權益

鄺其志先生為新昌營造集團有限公司及本公司之非執行董事，兩者之附屬公司均有提供設施管理服務。因此，根據上市規則第8.10(2)條之規定，鄺先生於年內被視作於與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

除上文所披露者外，本公司董事於年內概無於本集團業務以外任何與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

Convertible Securities, Options, Warrants or Similar Rights

Other than the share option scheme described in the paragraph titled “Share Option Scheme” above, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31 March 2006. There was no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Substantial Shareholders’ Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 March 2006, the interests or short positions of the following persons (other than persons who were directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Long positions in ordinary shares of HK\$0.10 each of the Company

可換股證券、購股權、認股權證或類似權利除上文「購股權計劃」一段所載之購股權計劃外，於二零零六年三月三十一日，本公司概無任何已發行之可換股證券、購股權、認股權證或類似權利。年內，概無任何可換股證券、購股權、認股權證或類似權利獲發行或行使。

管理合約

本公司於年內概無就其全部或任何主要部份業務訂立或訂有任何管理及行政合約。

主要股東於本公司股份及相關股份中擁有之權益及淡倉

於二零零六年三月三十一日，根據證券及期貨條例第336條本公司須予存置之登記冊所記錄，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有之權益或淡倉如下：

於本公司每股面值港幣0.10元普通股之好倉

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares held 持有普通股數目	Percentage of interest in issued share capital 佔已發行股本之 權益百分比 (note (iii)) (附註(iii))
Hsin Chong Holdings (H.K.) Limited (note (i)) 新昌集團(香港)有限公司 (附註(i))	Beneficial owner 實益擁有人	220,448,000	66.40%
Hsin Chong Holdings (BVI) Limited (note (i)) (附註(i))	Interest of a controlled corporation 受控法團權益	220,448,000	66.40%
Hsin Chong International Holdings Limited (note (i)) (附註(i))	Interests of controlled corporations 受控法團權益	220,448,000	66.40%
Yeh Meou Tsen, Geoffrey (note (ii)) 葉謀遵 (附註(ii))	Beneficial owner and interests of controlled corporations 實益擁有人及受控法團權益	220,648,000	66.46%

Directors' Report 董事會報告

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company (Continued)

Notes:

- (i) As at 31 March 2006, Hsin Chong Holdings (H.K.) Limited ("HCHK") was beneficially wholly owned by Hsin Chong Holdings (BVI) Limited ("HCBVI"), which itself was beneficially wholly owned by Hsin Chong International Holdings Limited ("HCI Holdings"). As at 31 March 2006, the entire issued share capital of HCI Holdings was beneficially owned as to approximately 47.78% by Dr. Yeh Meou Tsen, Geoffrey, as to approximately 27.08% by Mr. Yeh Mou Chong, David (deceased) (the elder brother of Dr. Yeh Meou Tsen, Geoffrey), as to approximately 18.14% by GHY Company Limited (a trustee of The GHY HK Trust, the ultimate beneficiaries of which were Mr. Yeh V Nee (the son of Dr. Yeh Meou Tsen, Geoffrey), the issue of Mr. Yeh V Nee and The Hsin Chong – K. N. Godfrey Yeh Education Fund), as to approximately 4.86% by Mr. Yeh V Nee, as to approximately 2.13% by Mrs. Fung Yi Hao, Yvette (the daughter of Dr. Yeh Meou Tsen, Geoffrey and an executive director and the deputy chairman of the Company) and as to approximately 0.01% by Mrs. Yeh Wang Zung Sing, Helen (the spouse of Dr. Yeh Meou Tsen, Geoffrey). By virtue of the SFO, HCHK was a controlled corporation of HCBVI whereas HCBVI was itself a controlled corporation of HCI Holdings as at 31 March 2006. HCBVI was therefore deemed to be interested in the 220,448,000 shares held by HCHK and HCI Holdings was also deemed to be interested in the same lot of shares as mentioned above.
- (ii) The interests of Dr. Yeh Meou Tsen, Geoffrey comprised 200,000 shares beneficially owned by him and 220,448,000 shares in which he was deemed to be interested by virtue of the SFO through HCI Holdings, a corporation as to approximately 47.78% owned by him.
- (iii) The percentage of interest in issued share capital was calculated on the basis of 332,000,000 shares of the Company in issue as at 31 March 2006.

主要股東於本公司股份及相關股份中擁有之權益及淡倉 (續)

附註:

- (i) 於二零零六年三月三十一日，新昌集團（香港）有限公司（「新昌香港」）乃由 Hsin Chong Holdings (BVI) Limited（「HCBVI」）實益全資擁有，而 HCBVI 則由 Hsin Chong International Holdings Limited（「新昌國際」）實益全資擁有。於二零零六年三月三十一日，新昌國際之全部已發行股本分別由葉謀遵博士實益擁有約 47.78%、葉謀彰先生（已故）（葉謀遵博士的兄長）實益擁有約 27.08%、GHY Company Limited（其為 The GHY HK Trust 的信託人，The GHY HK Trust 的最終受益人為葉維義先生（葉謀遵博士的兒子）、葉維義先生的後嗣及新昌－葉庚年教育基金助學金）實益擁有約 4.86%、葉維義先生實益擁有約 2.13%、葉儀皓女士（葉謀遵博士之女兒及本公司之執行董事兼副主席）實益擁有約 0.01%，以及葉王仁心女士（葉謀遵博士的配偶）實益擁有約 0.01%。於二零零六年三月三十一日，根據證券及期貨條例，新昌香港乃 HCBVI 的受控法團，而 HCBVI 則為新昌國際的受控法團。因此，HCBVI 被視為於新昌香港持有的 220,448,000 股股份中擁有權益，而新昌國際亦被視為於上述同一批股份中擁有權益。
- (ii) 葉謀遵博士之權益包括其實益擁有之 200,000 股股份及根據證券及期貨條例，其透過控權約 47.78% 的新昌國際而被視為擁有權益的 220,448,000 股股份。
- (iii) 佔已發行股本之權益百分比乃按本公司於二零零六年三月三十一日之已發行股份 332,000,000 股為計算基準。

Interests and Short Positions of Other Persons in the Shares and Underlying Shares of the Company required to be disclosed under the SFO

As at 31 March 2006, the following persons (not being the directors or chief executive of the Company or substantial shareholders as disclosed in the previous paragraph titled “Substantial Shareholders’ Interests and Short Positions in the Shares and Underlying Shares of the Company”) had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in ordinary shares of HK\$0.10 each of the Company

其他人士在本公司股份及相關股份中擁有並根據證券及期貨條例之規定須予披露之權益及淡倉

於二零零六年三月三十一日，下列人士(並非本公司董事或行政總裁或上文「主要股東於本公司股份及相關股份中擁有之權益及淡倉」一段中披露之主要股東)於本公司股份及相關股份中擁有以下記錄於根據證券及期貨條例第336條須予存置之登記冊內之權益或淡倉：

於本公司每股面值港幣0.10元普通股之好倉

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares held 持有普通股數目	Percentage of interest in issued share capital 佔已發行股本之權益百分比 <i>(see note (ii))</i> <i>(見附註(ii))</i>
DJE Investment S.A.	Investment manager <i>(see note (i))</i> 投資經理 <i>(見附註(i))</i>	17,304,000	5.21%
Dr. Jens Ehrhardt Kapital AG	Investment manager <i>(see note (i))</i> 投資經理 <i>(見附註(i))</i>	17,304,000	5.21%
Dr. Jens Alfred Karl Ehrhardt	Investment manager <i>(see note (i))</i> 投資經理 <i>(見附註(i))</i>	17,304,000	5.21%

Note:

- (i) DJE Investment S.A. was 81% controlled by Dr. Jens Ehrhardt Kapital AG. Dr. Jens Ehrhardt Kapital AG was itself 83.5% controlled by Dr. Jens Alfred Karl Ehrhardt. DJE Investment S.A., Dr. Jens Ehrhardt Kapital AG and Dr. Jens Alfred Karl Ehrhardt were all interested or deemed to be interested in the same lot of 17,304,000 shares in the Company as shown above.
- (ii) The percentage of interest in issued share capital was calculated on the basis of 332,000,000 shares of the Company in issue as at 31 March 2006.

附註:

- (i) DJE Investment S.A. 之81%權益乃由Dr. Jens Ehrhardt Kapital AG 控制。Dr. Jens Ehrhardt Kapital AG 之83.5%權益乃由Dr. Jens Alfred Karl Ehrhardt 控制。DJE Investment S.A.、Dr. Jens Ehrhardt Kapital AG及Dr. Jens Alfred Karl Ehrhardt在上述同一批17,304,000股本公司股份中擁有或被視作擁有權益。
- (ii) 佔已發行股本之權益百分比乃按本公司於二零零六年三月三十一日之已發行股份332,000,000股為計算基準。

Save as disclosed above and the previous paragraphs titled “Substantial Shareholders’ Interests and Short Positions in the Shares and Underlying Shares of the Company”, as at 31 March 2006, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

除上文所披露者及於前段「主要股東於本公司股份及相關股份中擁有之權益及淡倉」所披露者外，於二零零六年三月三十一日，概無其他於本公司股份及相關股份中之權益或淡倉記錄於根據證券及期貨條例第336條本公司須予存置之登記冊內。

Directors' Report

董事會報告

Continuing Connected Transactions

During the year ended 31 March 2006, the Company and/or its subsidiaries had entered into (or continued to be party to) certain continuing connected transactions, part of which were subject to conditional waivers (the "Waivers") from strict compliance with the disclosures and/or shareholders' requirements for the period up to 31 March 2006 as granted by the Stock Exchange in its letter dated 3 October 2003 prior to Chapter 14A of the Listing Rules coming into effect. The remaining part of the continuing connected transactions entered into in the year were subject to the annual review and reporting requirements under Chapter 14A of the Listing Rules.

(A) Below are those continuing connected transactions conducted in the year which were subject to the Waivers granted by the Stock Exchange:

- (1) During the year, Summit Insurance (Asia) Limited ("Summit"), a general insurer registered with the Insurance Authority, provided various insurance policies (the "Insurance Policies") to the Group to cover its risks in respect of the properties and facilities managed by it and in compliance with the legal requirements against loss on fire, burglary, public liability, contractors all risks, property all risks, fidelity guarantee, money, vehicle and employee compensation. Summit is a direct 88% owned subsidiary of HCHK, a controlling shareholder of the Company, and hence both HCHK and Summit constituted connected persons for the Company under the Listing Rules and the transactions contemplated under the Insurance Policies constituted connected transactions of the Company. The premiums paid by the Group to Summit under the Insurance Policies for the year amounted to HK\$189,061.
- (2) During the year, Master Clean Service Limited ("Master Clean"), an indirect wholly owned subsidiary of the Company, provided cleaning services to HCHK and its associates (as defined in the Listing Rules). As mentioned above, HCHK constituted a connected person for the Company and the cleaning services provided by Master Clean to HCHK and its associates constituted connected transactions of the Company under the Listing Rules. Cleaning service fees received by Master Clean from HCHK and its associates for the year amounted to HK\$1,020,032.

持續關連交易

於截至二零零六年三月三十一日止年度，本公司及/或其附屬公司訂立了若干持續關連交易（或繼續為該等交易之交易方），部份該等交易根據聯交所於二零零三年十月三日在上市規則第14A章生效前發出之函件所授出之有條件豁免（「豁免」）而可於直至二零零六年三月三十一日止期間內，豁免嚴格遵守有關披露及/或股東批准之規定，餘下於年內訂立之持續關連交易則須遵守上市規則第14A章有關每年進行審核及申報之規定。

(A) 以下為於年內在聯交所授出之豁免下進行之持續關連交易：

- (1) 於年內，於保險業監督註冊之保險機構健峯保險(亞洲)有限公司（「健峯」）為本集團提供不同範疇之保險服務（「保險服務」），承保本集團所管理之物業及設施須承擔之風險，並遵守法例規定就所有關於火災、盜竊、公眾責任、承辦商綜合風險、物業綜合風險、忠誠保證、金錢、汽車及僱員賠償所引致之損失提供保障。健峯為本公司控股股東新昌香港直接擁有88%權益之附屬公司，故根據上市規則之規定，新昌香港及健峯均為本公司之關連人士，以及在保險服務下之交易構成本公司之關連交易。本集團於年內向健峯支付有關保險服務之保金為港幣189,061元。
- (2) 於年內，本公司之間接全資擁有附屬公司宏潔服務有限公司（「宏潔」）為新昌香港及其聯繫人（定義見上市規則）提供清潔服務。如上文所述，新昌香港為本公司之關連人士，故此根據上市規則之規定，宏潔向新昌香港及其聯繫人提供之清潔服務構成本公司之關連交易。宏潔於年內從新昌香港及其聯繫人收取之清潔服務費用為港幣1,020,032元。

Continuing Connected Transactions (Continued)

- (3) In the past, guarantees were provided by HCHK (the “Guarantee Arrangements”) to the customers of Synergis Management Services Limited (“SMS”), an indirect wholly owned subsidiary of the Company, in respect of SMS’s performance under various property management contracts. SMS paid commissions and gave “back-to-back” counter-indemnities to HCHK in respect of the Guarantee Arrangements. In the event that HCHK had to make good on guarantees made pursuant to the Guarantee Arrangements as a result of SMS’s non-performance, the aggregate amount paid by HCHK was theoretically recoverable from SMS pursuant to the “back-to-back” counter-indemnities given by SMS. During the year, no Guarantee Arrangements existed and hence no commission was paid and no theoretical liabilities were owed by SMS to HCHK in relation thereto.
- (4) During the year, Summit provided guarantees as surety (the “Surety Arrangements”) to the customers of SMS in respect of SMS’s performance under various property management contracts. SMS paid premiums and gave “back-to-back” counter-indemnities to Summit or the Company gave guarantees to Summit in respect of the Surety Arrangements. In the event that Summit has to make good on guarantees made pursuant to the Surety Arrangements as a result of SMS’s non-performance, the aggregate amount paid by Summit is theoretically recoverable from SMS pursuant to the “back-to-back” counter-indemnities or from the Company pursuant to the guarantees given under the Surety Arrangements. For the year ended 31 March 2006, the total maximum theoretical liabilities owed by SMS and the Company to Summit and the aggregate premiums paid by SMS to Summit under the Surety Arrangements amounted to HK\$109,019,390 and HK\$120,499 respectively.

The directors (including the independent non-executive directors) of the Company, having reviewed the letter issued by the Company’s auditors in relation to compliance with the conditions prescribed by the Stock Exchange in the Waivers for the continuing connected transactions under (1) and (4) above, have reviewed and approved those continuing connected transactions, and confirmed that:

- (i) the continuing connected transactions under (1) to (4) above were entered into by the Group in the ordinary and usual course of business of the Group, on normal commercial terms, and in accordance with the relevant agreements or arrangements governing them on terms that were fair and reasonable so far as the shareholders of the Company were concerned and in the interests of the shareholders as a whole;

持續關連交易 (續)

- (3) 於過往，新昌香港就本公司之間接全資擁有附屬公司新昌管理服務有限公司（「新昌管理服務」）履行多份物業管理合約而向新昌管理服務之客戶提供保證（「保證安排」）。新昌管理服務就保證安排向新昌香港支付佣金及作出「背對背」反彌償保證。倘新昌香港須就新昌管理服務未能履約而根據保證安排作出補償，則新昌香港所支付之款項理論上可根據新昌管理服務所作出之「背對背」反彌償保證向新昌管理服務收回。由於年內並不存在任何保證安排，故並無任何支付的佣金及新昌管理服務並無應付予新昌香港有關保證安排之理論賠償金額。
- (4) 於年內，健峯就新昌管理服務履行多份物業管理合約向新昌管理服務之客戶提供擔保（「擔保安排」）。新昌管理服務向健峯支付保金及作出「背對背」反彌償保證或本公司就擔保安排而向健峯提供擔保。倘健峯須就新昌管理服務未能履約而根據擔保安排作出補償，則在擔保安排下健峯所支付之總額理論上可根據「背對背」反彌償保證向新昌管理服務收回或根據本公司作出之擔保向本公司收回。於截至二零零六年三月三十一日止年度，在擔保安排下，新昌管理服務及本公司欠負健峯之最高理論賠償金額及新昌管理服務已付健峯之保金總額分別為港幣109,019,390元及港幣120,499元。

經審閱本公司核數師就上述第(1)至(4)項持續關連交易就符合聯交所規定之條件而發出之函件後，本公司董事（包括獨立非執行董事）審閱並批准該等持續關連交易，並確認：

- (i) 上述第(1)至(4)項持續關連交易乃於本集團之日常及一般業務範圍內進行，並按一般商業條款訂立，且遵照相關監管該等交易之協議或安排進行，且條款對本公司股東而言屬公平合理，並符合股東之整體利益；

Directors' Report

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Continuing Connected Transactions (Continued)

- (ii) the respective annual aggregate amounts of the continuing connected transactions under (1) to (4) above for the year did not exceed the following annual caps as prescribed in the Waivers:
- (a) neither the aggregate premiums paid under (1) nor the aggregate cleaning service fees received under (2) above did exceed the higher of either HK\$10,000,000 or 3% of the book value of the net tangible assets of the Company as shown in the audited consolidated financial statements for the year;
 - (b) the total maximum theoretical liabilities owed and commissions paid under the Guarantee Arrangements in (3) above did not exceed HK\$14,700,000 and HK\$25,000 respectively;
 - (c) the total maximum theoretical liabilities and premiums paid in respect of the Surety Arrangements in (4) above did not exceed HK\$150,000,000 and HK\$1,000,000 respectively.
- (B) Below are details of those continuing connected transactions conducted in the year which were subject to the annual review and reporting requirements under Chapter 14A of the Listing Rules:
- (a) Since February 2004, the Group has been providing to Shui On Holdings Limited ("Shui On") and its subsidiaries and associates (as defined in the Listing Rules) (collectively, the "Shui On Group") property and facility management and related services (the "PFM Transactions") in connection with projects developed by the Shui On Group through Synergis Shui On Management Services (Shanghai) Limited ("Synergis Shui On Shanghai"), a company incorporated in Hong Kong and owned as to 50% indirectly by the Company and 50% indirectly by Shui On. Although Synergis Shui On Shanghai was accounted for as a jointly controlled entity in the financial statements, it is deemed as an indirect non-wholly owned subsidiary of the Company for the purpose of the Listing Rules as the board of directors of Synergis Shui On Shanghai is controlled indirectly by the Company. Billion World Limited ("Billion World"), a non-wholly owned subsidiary of Shui On, is a substantial shareholder of Synergis Shui On Shanghai (a non-wholly owned subsidiary of the Company). Shui On is an associate (as defined in the Listing Rules) of Billion World. Therefore, both Shui On and Billion World constitute connected persons of the Company and the PFM Transactions conducted in the year between the Group and the Shui On Group constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. A framework business services agreement was entered into on 5 November 2004 between the Company and Shui On for a fixed term of not more than 3 years. The expected annual values (the "Annual Caps") of the PFM Transactions for the three years commencing from 1 April 2004 are HK\$4,000,000, HK\$5,000,000 and HK\$9,000,000 for the respective years. During the year ended 31 March 2006, the aggregate value of the PFM Transactions amounted to HK\$3,385,872.

持續關連交易 (續)

- (ii) 上述第(1)至(4)項持續關連交易於本年度之全年總額不超過豁免中所規定之下述年度上限:
- (a) 在上文第(1)項下支付之保金總額及在上文第(2)項下收取之清潔服務費用總額均不超過港幣10,000,000元或本公司本年度經審核綜合財務報表所示有形資產賬面淨值之3%，以較高者為上限計算；
 - (b) 在上文第(3)項保證安排下欠負之最高理論賠償金額及已付佣金分別不超過港幣14,700,000元及港幣25,000元；
 - (c) 在上文第(4)項擔保安排下之最高理論賠償總額及保金總額分別不超過港幣150,000,000元及港幣1,000,000元。
- (B) 以下為該等於本年度內進行而須遵守上市規則第14A章有關每年進行審核及申報規定之持續關連交易詳情:
- (a) 自二零零四年二月起，本集團一直透過新昌瑞安管理服務(上海)有限公司(「新昌瑞安上海」)(一家於香港註冊成立並由本公司及瑞安集團有限公司(「瑞安」)各自間接擁有其50%權益之公司)為瑞安及其附屬公司及聯繫人(定義見上市規則)(統稱「瑞安集團」)發展之項目提供物業及設施管理及相關業務(「管理交易」)。縱然新昌瑞安上海在財務報表內以共同控制實體入賬，就上市規則而言，由於本公司對新昌瑞安上海董事會擁有間接控制權，因此該公司被視作一家由本公司間接擁有之非全資附屬公司。瑞億有限公司(「瑞億」)乃瑞安之非全資擁有附屬公司，並為新昌瑞安上海(本公司之非全資擁有附屬公司)之主要股東。瑞安為瑞億之聯繫人(定義見上市規則)。因此，根據上市規則第14A章之規定，瑞安及瑞億為本公司之關連人士及本集團與瑞安集團於年內進行之管理交易構成本公司之持續關連交易。本公司與瑞安於二零零四年十一月五日簽訂為期不超過三年之框架業務服務協議。按管理交易於二零零四年四月一日起三個月之預定期年度價值(「年度上限」)分別為港幣4,000,000元、港幣5,000,000元及港幣9,000,000元。於截至二零零六年三月三十一日止年度內，管理交易之總值為港幣3,385,872元。

Continuing Connected Transactions (Continued)

- (b) A tenancy agreement dated 1 April 2005 (the “Tenancy Agreement”) was entered into between Deventer Limited (“Deventer”) as landlord and SMS as tenant pursuant to which Deventer leased to SMS certain portions of 3rd Floor, 6th Floor and 10th Floor of Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong, totalling 17,245 square feet of gross floor area, and 11 car parking spaces (the “Premises”) for use as SMS’s office and car parking spaces for a term of three years commencing on 1 April 2005 and ending on 31 March 2008. HCI Holdings, one of the controlling shareholders of the Company, together with the shareholders of HCI Holdings, collectively hold more than one-third of the indirect interests in Deventer. Therefore, Deventer constitutes a connected person of the Company and the transactions contemplated under the Tenancy Agreement (the “Tenancy Transactions”) have constituted continuing connected transactions of the Company under the Listing Rules. Pursuant to the Tenancy Agreement, the monthly rental payable by SMS to Deventer for the lease of the Premises was HK\$128,302.80 (exclusive of management fee, air-conditioning fee, licencing fees and other outgoings). Licencing fees of HK\$24,500 per month (inclusive of management fees) were charged in relation to the use of the 11 car parking spaces in the Premises during the year. For the year ended 31 March 2006, the aggregate amount payable by SMS to Deventer under the Tenancy Transactions amounted to HK\$1,833,634.

The directors (including the independent non-executive directors) of the Company, have reviewed and confirmed that both the PFM Transactions and the Tenancy Transactions conducted in the year were entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

持續關連交易 (續)

- (b) Deventer Limited (「Deventer」) (作為業主) 及新昌管理服務 (作為租戶) 於二零零五年四月一日訂立一項租賃協議。據此, Deventer向新昌管理服務出租香港九龍觀塘偉業街107-109號新昌中心3樓、6樓及10樓的若干部份 (總樓面面積17,245平方呎) 及11個泊車位 (「有關物業」), 作為新昌管理服務之辦公室及泊車位, 租期由二零零五年四月一日起至二零零八年三月三十一日止, 為期三年。新昌國際 (本公司控權股東之一) 及新昌國際之股東合共持有Deventer逾三分之一的間接權益。因此, 根據上市規則之規定, Deventer為本公司之關連人士及租賃協議所載交易 (「租賃交易」) 構成本公司之持續關連交易。根據租賃協議, 新昌管理服務就租用有關物業而應付Deventer之月租為港幣128,302.80元 (不包括管理費、冷氣費、特許使用費及其他開支)。年內就使用11個泊車位而支付之特許使用費為每月港幣24,500元 (包括管理費)。於截至二零零六年三月三十一日止年度, 新昌管理服務根據租賃交易付予Deventer之總額合共港幣1,833,634元。

本公司董事 (包括獨立非執行董事) 已審閱年內進行之管理交易及租賃交易, 並確認有關交易:

- (i) 於本集團日常及一般業務範圍內進行;
- (ii) 按一般商業條款或按不遜於給予獨立第三方或獨立第三方提供之條款訂立; 及
- (iii) 根據相關監管協議按公平合理並符合本公司股東整體利益的條款訂立。

Directors' Report 董事會報告

Continuing Connected Transactions (Continued)

In addition, the auditors of the Company confirmed to the Board in writing that the PFM Transactions and the Tenancy Transactions:

- (i) were approved by the Board;
- (ii) were in accordance with the pricing policies of the Group if the relevant transactions involved provision of goods or services by the Group;
- (iii) were entered into in accordance with the relevant agreements governing the PFM Transactions and the Tenancy Transactions;
- (iv) in respect of the PFM Transactions, the aggregate value for the year did not exceed the Annual Cap of HK\$5,000,000; and
- (v) in respect of the Tenancy Transactions, the aggregate amount of the rentals, management fee, air-conditioning fee, licencing fees and other outgoings payable by SMS to Deventer for the year did not on an annual basis exceed 2.5% for each of the relevant percentage ratios (other than the profits ratio) under rule 14A.34 of the Listing Rules and did not exceed HK\$10,000,000.

Major Customers and Suppliers

The aggregate turnover attributable to the Group's five largest customers was approximately 53.9% (2005: 57.1%) of the Group's total turnover and the turnover attributable to the Group's largest customer was approximately 39.6% (2005: 36.6%) of the Group's total turnover for the year.

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

None of the directors, any of their associates or shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's major customers or suppliers noted above.

Bank Borrowings

As at 31 March 2006, the Group had no outstanding bank borrowings (2005: nil).

Donations

Donations by the Group for charitable and other purposes during the year amounted to HK\$26,000 (2005: HK\$84,000).

持續關連交易 (續)

此外，本公司核數師已向董事會書面確認，管理交易及租賃交易：

- (i) 已獲董事會批准；
- (ii) 如有關交易涉及由本集團提供貨品或服務，乃根據本集團之定價政策進行；
- (iii) 根據相關監管管理交易及租賃交易之協議進行；
- (iv) 就管理交易而言，本年度之總值不超過年度上限港幣5,000,000元；及
- (v) 就租賃交易而言，新昌管理服務於本年度應付Deventer之租金、管理費、冷氣費、特許使用費及其他開支總額，按年計算不超過在上市規則第14A.34條下之各項百分比率（盈利比率除外）2.5%，以及不超過港幣10,000,000元。

主要客戶及供應商

於本年度，本集團最大五位客戶佔本集團總營業額約53.9%（二零零五年：57.1%），而本集團最大客戶則佔本集團總營業額約39.6%（二零零五年：36.6%）。

於本年度，本集團最大五位供應商佔本集團之總採購額少於30%。

董事、任何彼等之聯繫人或股東（據董事所知擁有本公司已發行股本超過5%者）概無在上述本集團之主要客戶或供應商中擁有任何實益權益。

銀行貸款

於二零零六年三月三十一日，本集團並無尚未償還之銀行貸款（二零零五年：無）。

捐款

本集團於年內作出之慈善及其他捐款合共港幣26,000元（二零零五年：港幣84,000元）。

New Rule 13.15A of Chapter 13 of the Listing Rules

On 1 March 2006, the Stock Exchange has effected certain minor amendments to the Listing Rules which included, inter alia, the introduction of new rule 13.15A of Chapter 13 therein. According to new rule 13.15A, any trade receivable (other than as a result of the provision of financial assistance) arose in the ordinary and usual course of business of the Company and the transaction from which the trade receivable arose was on normal commercial terms shall not be regarded as a relevant advance to an entity for the purpose of rules 13.13 and 13.14 of Chapter 13 of the Listing Rules.

Pursuant to the new rule 13.15A, trade receivable due from the Hong Kong Housing Authority, the largest customer of the Group, has no longer been regarded as an advance to an entity by the Company and hence the Company is not required to comply with the continuing disclosure requirement under rule 13.20 of Chapter 13 of the Listing Rules in respect of such trade receivable.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Public Float

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of knowledge of its directors.

Auditors

The retiring auditors, Messrs. PricewaterhouseCoopers, have expressed their willingness to offer for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. PricewaterhouseCoopers as the auditors of the Company for the ensuing year and to authorise the directors to fix their remuneration.

On behalf of the Board
Professor Woo Chia Wei
Chairman

Hong Kong, 13 July 2006

上市規則第13章第13.15A條新規定

於二零零六年三月一日，聯交所對上市規則作出若干輕微修訂，包括(其中包括)引入上市規則第13章第13.15A條新規定。根據第13.15A條新規定，就上市規則第13章第13.13條及第13.14條而言，本公司在日常及一般業務過程中所產生之任何應收賬款(因提供財務資助而產生者除外)，及產生該項應收賬款之交易屬於按一般商業條款進行之交易，則有關應收賬款將不會當作給予某一實體之有關貸款。

根據第13.15A條新規定，本集團對其最大客戶香港房屋委員會之應收賬款不會再當作為本公司給予某一實體之貸款。因此，本公司毋須就有關應收賬款遵守上市規則第13章第13.20條之持續披露規定。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司之任何上市證券。

公眾持股量

截至本報告日期為止，據本公司所獲之公眾資料及董事所知悉，本公司維持上市規則所訂明之公眾持股量。

核數師

即將退任之核數師羅兵咸永道會計師事務所已表明願意膺選連任。本公司將於應屆股東週年大會上提呈一項決議案，重選羅兵咸永道會計師事務所為本公司來年核數師，並授權董事釐定其酬金。

代表董事會
主席
吳家瑋教授

香港，二零零六年七月十三日