

The directors submit their report together with the audited financial statements for the year ended 31 March 2006.

Principal activities

The principal activity of the Company is investment holding. The Group is principally engaged in foundation works, leasing and trading of machinery and equipment for foundation works and vessel chartering. The principal activities of the subsidiaries are set forth in note 32 to the financial statements.

An analysis of the Group's performance by business segment is set out in note 5 to the financial statements. All assets and operations related to the construction business of the Group are located in Hong Kong. The vessel chartering business is carried out worldwide and cannot be allocated into any geographical segments. Accordingly, geographical segment information is not presented.

Results and appropriations

The results of the Group for the year are set forth in the consolidated income statement on page 43.

The directors do not recommend the payment of a dividend for the year ended 31 March 2006.

Plant and equipment

Details of the movements in plant and equipment of the Group and the Company are set forth in note 14 to the financial statements.

Share capital

Details of the share capital of the Company are set forth in note 19 to the financial statements.

董事會提呈截至二零零六年三月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事地基工程，及用於地基工程之機械及器材之租賃及貿易以及貨船租賃。各附屬公司之主要業務載於財務報表附註32。

本集團按業務劃分之表現分析，載於財務報表附註5。有關本集團建築業務之所有資產及經營均位於香港。貨船租賃業務在全球進行，未能分配至任何適當地區分類。因此，並無提呈地區分類資料。

業績及分配

本集團本年度之業績載於第43頁之綜合收益表內。

董事不建議派付截至二零零六年三月三十一日止年度之任何股息。

設備及器材

本集團及本公司設備及器材變動之詳情，載於財務報表附註14。

股本

本公司股本之詳情，載於財務報表附註19。

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 20 to the financial statements.

Donations

Charitable and other donations made by the Group during the year amounted to HK\$15,724.

Five year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 106.

Share options scheme

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution of the sole shareholder passed on 25 March 2003. The maximum number of shares in respect of which options may be granted shall not exceed 30,000,000 shares representing 10 per cent. in nominal amount of the issued share capital of the Company on 9 April 2003 (the "Listing Date"). The maximum entitlement of each participant shall not exceed 1 per cent. of the shares in issue in any 12-month period up to the date of the latest grant of options.

As at 31 March 2006, all share options granted under the Scheme were still outstanding. No options were exercised, cancelled or lapsed during the year.

儲備

本集團及本公司於年內儲備變動之詳情，載於財務報表附註20。

捐款

本集團於年內作出之慈善及其他捐獻達15,724港元。

五年財務摘要

本集團過去五個財政年度之業績及資產負債摘要載於第106頁。

購股權計劃

本公司之購股權計劃(「該計劃」)乃根據唯一股東於二零零三年三月二十五日通過之決議案而採納。可授予之購股權涉及之股份數目，最多不得超過30,000,000股，即本公司於二零零三年四月九日(「上市日期」)已發行股本面值之10%，而每名參與者應得之股份數目，最多不得超過截至最後授出購股權日期止任何12個月期間之已發行股份1%。

截至二零零六年三月三十一日，根據該計劃所授出之所有購股權尚未行使。本年內概無購股權獲行使、註銷或逾期。

Report of the Directors 董事會報告

The following are the particulars of outstanding options:

下表為尚未行使之購股權詳情:

Name of the participant 參與者姓名	Date of grant 授出日期	No. of options outstanding as at 31 March 2006 於二零零六年 三月三十一日		Vesting period 待行使期	Exercise period 行使期	Exercise price 行使價
			尚未行使之 購股權數目			
Mr. Lau Chun Ming 劉振明先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Mr. Lau Chun Kwok 劉振國先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Mr. Lau Chun Ka 劉振家先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Ms. Leung Lai So 梁麗蘇女士	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元

Report of the Directors 董事會報告

Name of the participant 參與者姓名	Date of grant 授出日期	No. of options outstanding as at 31 March 2006 於二零零六年 三月三十一日 尚未行使之 購股權數目		Vesting period 待行使期	Exercise period 行使期	Exercise price 行使價
Mr. Hsu Kam Yee, Simon 許錦儀先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Mr. Chan Sun Kwong 陳晨光先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Mr. Chiu Kam Kun, Eric 趙錦均先生	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
Dr. Lee Peng Fei, Allen 李鵬飛博士	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元

Report of the Directors 董事會報告

Name of the participant 參與者姓名	Date of grant 授出日期	No. of options outstanding as at 31 March 2006 於二零零六年 三月三十一日 尚未行使之 購股權數目		Vesting period 待行使期	Exercise period 行使期	Exercise price 行使價
Professor Wong Sue Cheun, Roderick 王世全教授	28 May 2003 二零零三年 五月二十八日	500,000		1 year commencing from 28 May 2003 由二零零三年 五月二十八日 起計一年	from 28 May 2004 to 27 May 2007, both days inclusive 二零零四年五月二十八日起 至二零零七年五月二十七日止 (包括首尾兩天)	HK\$0.69 0.69港元
			4,500,000			

Except for the foregoing, during the year and up to the date of this report, none of the directors (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or any other body corporate.

除上述者外，於年內至本報告日期間，董事（包括彼等之配偶及十八歲以下之子女）概無擁有或獲授或行使任何權利，以認購本公司或任何其他法人團體之股份（或認股權證或債券（倘適用））。

Directors

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

Mr. Lau Chun Ming
Mr. Lau Chun Kwok
Mr. Lau Chun Ka
Ms. Leung Lai So
Mr. Hsu Kam Yee, Simon
Mr. Chan Sun Kwong
Mr. Chiu Kam Kun, Eric ¹
Dr. Lee Peng Fei, Allen ²
Professor Wong Sue Cheun, Roderick ²
Mr. Chan Wai Dune ²

¹ *Non-executive director*

² *Independent non-executive directors*

In accordance with bye-laws 87 of the Company's bye-laws, Mr. Lau Chun Ming, Ms. Leung Lai So, Mr. Chan Sun Kwong, Dr. Lee Peng Fei, Allen will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

Service contracts of directors

None of the directors has a service contract which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

於年內至本報告日期止之董事如下：

劉振明先生
劉振國先生
劉振家先生
梁麗蘇女士
許錦儀先生
陳晨光先生
趙錦均先生¹
李鵬飛博士²
王世全教授²
陳維端先生²

¹ 非執行董事

² 獨立非執行董事

根據本公司細則第87條，劉振明先生、梁麗蘇女士、陳晨光先生及李鵬飛博士將於本屆股東週年大會輪席告退，彼等合資格並願意膺選連任。

本公司已接獲每位獨立非執行董事有關其根據上市規則第3.13條之獨立性之年度確認書。本公司認為所有獨立非執行董事均符合有關獨立性的要求。

董事之服務合約

概無董事與本公司訂有不可由本公司於一年內終止而毋需支付補償款項（法定補償除外）之服務合約。

Directors' interest in contracts

Other than the transactions as disclosed in note 31 to the financial statements, no contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a director was materially interested, whether directly or indirectly, subsisted at 31 March 2006 or at any time during the year then ended.

Disclosure of interest of directors

As at the date of this report, the interest and short positions of directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, or as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are as follows:

(a) Directors' interest in the Company:

Name of director 董事姓名	Number of shares 股份數目	Approximate percentage of shareholding 股權概約百分比	Capacity 身分
Mr. Lau Chun Ming 劉振明先生	Long position 500,000 shares (Note 1 & 5) 長倉 500,000 股 (附註 1 及 5)	0.16%	Beneficial owner 實益擁有人
Mr. Lau Chun Kwok 劉振國先生	Long position 23,000,000 shares (Notes 1 & 2) 長倉 23,000,000 股 (附註 1 及 2)	7.66%	Beneficial owner and interest of a controlled company 實益擁有人及 受控公司權益

董事之合約權益

除載於財務報表附註31所披露之交易外，於二零零六年三月三十一日或截至該日止之本年度內，本公司或其任何附屬公司概無釐訂任何與本公司之業務有關而董事直接或間接擁有重大權益之重要合約。

董事權益披露

截至本報告日期，董事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，擁有根據證券及期貨條例第XV部第7及8部分而須知會本公司及聯交所之權益或短倉，或根據證券及期貨條例第352條或根據上市公司董事進行證券買賣的標準守則而須知會本公司及聯交所之權益如下：

(a) 董事於本公司之權益：

Report of the Directors 董事會報告

Name of director 董事姓名	Number of shares 股份數目	Approximate percentage of shareholding 股權概約百分比	Capacity 身分
Mr. Lau Chun Ka 劉振家先生	Long position 23,000,000 shares (Notes 1 & 3) 長倉 23,000,000 股 (附註 1 及 3)	7.66%	Beneficial owner and interest of a controlled company 實益擁有人及 受控公司權益
Ms. Leung Lai So 梁麗蘇女士	Long position 180,500,000 shares (Notes 1 & 4) 長倉 180,500,000 股 (附註 1 及 4)	60.16%	Beneficial owner and beneficiary of a discretionary trust 實益擁有人及 全權信托受益人
Mr. Hsu Kam Yee, Simon 許錦儀先生	Long position 500,000 shares (Note 1) 長倉 500,000 股 (附註 1)	0.16%	Beneficial owner 實益擁有人
Mr. Chan Sun Kwong 陳晨光先生	Long position 500,000 shares (Note 1) 長倉 500,000 股 (附註 1)	0.16%	Beneficial owner 實益擁有人
Mr. Chiu Kam Kun, Eric 趙錦均先生	Long position 500,000 shares (Note 1) 長倉 500,000 股 (附註 1)	0.16%	Beneficial owner 實益擁有人
Dr. Lee Peng Fei, Allen 李鵬飛博士	Long position 500,000 shares (Note 1) 長倉 500,000 股 (附註 1)	0.16%	Beneficial owner 實益擁有人
Professor Wong Sue Cheun, Roderick 王世全教授	Long position 500,000 shares (Note 1) 長倉 500,000 股 (附註 1)	0.16%	Beneficial owner 實益擁有人

Report of the Directors 董事會報告

(b) Directors' interest in the associated corporations:

(b) 董事於相聯法團之權益：

Name of director	Name of company	Number of shares	Approximate percentage of shareholding	Capacity
董事姓名	公司名稱	股份數目	股權概約百分比	身分
Ms. Leung Lai So 梁麗蘇女士	Actease Assets Limited	Long position 61 shares 長倉61股	100%	Beneficiary of a discretionary trust 全權信託受益人
Ms. Leung Lai So 梁麗蘇女士	Silver Bright Holdings Limited	Long position 10,000 shares 長倉10,000股	100%	Beneficiary of a discretionary trust 全權信託受益人

Notes:

附註：

- | | | | |
|---|---|----|--|
| 1 | On 28 May 2003, the Company granted to each of the director an option to subscribe for 500,000 shares in the share capital of the Company. | 1 | 於二零零三年五月二十八日，本公司授予各董事可認購本公司股本中500,000股股份之購股權。 |
| 2 | 22,500,000 shares were held by CKL Development Limited, a corporation which is controlled by Mr. Lau Chun Kwok. | 2 | 22,500,000股由劉振國先生控制之CKL Development Limited持有。 |
| 3 | 22,500,000 shares were held by Nice Fair Group Limited, a corporation which is controlled by Mr. Lau Chun Ka. | 3 | 22,500,000股由劉振家先生控制之Nice Fair Group Limited持有。 |
| 4 | 180,000,000 shares were held by Actease Assets Limited, a company wholly-owned by Silver Bright Holdings Limited which is indirectly owned by a discretionary trust of which Ms. Leung Lai So is a beneficiary. | 4 | 180,000,000股由Silver Bright Holdings Limited全資擁有之Actease Assets Limited持有。Silver Bright Holdings Limited由以梁麗蘇女士為受益人之全權信託間接擁有。 |
| 5 | Mr. Lau Chun Ming's interest does not include the 60.16% interest of his spouse, Ms. Leung Lai So, in the Company. | 5. | 劉振明先生之權益並不包括其配偶梁麗蘇女士於本公司的60.16%權益。 |

Disclosure of interests of substantial shareholders

So far as the directors are aware, the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance as at the date of this report are as follows:

主要股東權益披露

據董事所知，截至本報告日期，下列人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有經記入按證券及期貨條例第336條置存之登記冊之權益及短倉如下：

Name of substantial shareholder 主要股東姓名／名稱	Number of shares 股份數目	Approximate percentage of shareholding 股權概約百分比	Capacity 身分
Actiease Assets Limited	Long position 180,000,000 shares 長倉 180,000,000股	60%	Beneficial owner 實益擁有人
Silver Bright Holdings Limited	Long position 180,000,000 shares 長倉 180,000,000股	60%	Interest of a controlled company 受控公司權益
ManageCorp Limited	Long position 180,000,000 shares 長倉 180,000,000股	60%	Trustee 受託人
Dao Heng Trustee (Jersey) Limited as trustee of The LCM 2002 Trust	Long position 180,000,000 shares 長倉 180,000,000股	60%	Trustee 受託人
CKL Development Limited	Long position 22,500,000 shares 長倉 22,500,000股	7.5%	Beneficial owner 實益擁有人
Nice Fair Group Limited	Long position 22,500,000 shares 長倉 22,500,000股	7.5%	Beneficial owner 實益擁有人
Ms. Tang Lin Ngor 鄧連娥女士	Long position 22,500,000 shares 長倉 22,500,000股	7.5%	Interest of her spouse 配偶權益
Ms. Ip Fung Sheung 葉鳳嫦女士	Long position 22,500,000 shares 長倉 22,500,000股	7.5%	Interest of her spouse 配偶權益

Biographical details of directors

(a) Chairman and Managing Director

Mr. LAU Chun Ming, aged 63, is the Chairman and founder of the Group. Mr. Lau is responsible for the Group's overall strategic planning, business development and formulation of overall corporate policies. Mr. Lau has been involved in trading and maintenance of machinery and equipment since 1970. Besides, he has been involved in foundation works since 1990. He is the brother of Mr. Lau Chun Kwok and Mr. Lau Chun Ka and the spouse of Ms. Leung Lai So.

(b) Executive Directors

Mr. LAU Chun Kwok, aged 54, is an Executive Director. He is also the chief executive officer of the Group. He joined the Group since 1970. He has profound experience in foundation related works for over 10 years. He has been responsible for overall deployment of foundation construction machinery and equipment, labour, resources and purchasing activities of the Group since 1990. During the past decade, he has involved intensively in the management of piling works of various nature. He is a brother of Mr. Lau Chun Ming and Mr. Lau Chun Ka.

Mr. LAU Chun Ka, aged 52, is an Executive Director. He joined the Group in the early 1970s. He has profound experience in mechanical engineering and construction/foundation equipment for over 20 years. Since he joined the Group, he has been responsible for the maintenance of machinery and equipment of the Group. During the last 16 years, he has concentrated on the overall management of maintenance and repair of construction machinery and equipment. He is a brother of Mr. Lau Chun Ming and Mr. Lau Chun Kwok.

董事詳盡履歷

(a) 主席兼董事總經理

劉振明先生，63歲，本集團主席兼創辦人，負責本集團整體策略規劃、業務拓展及制訂整體公司政策。劉先生自一九七零年以來已從事機械及設備之買賣及維修。此外，亦自一九九零年以來參與地基工程。其本人為劉振國先生及劉振家先生之胞兄及梁麗蘇女士之配偶。

(b) 執行董事

劉振國先生，54歲，執行董事及本集團行政總裁。自一九七零年加盟本集團。具逾10年地基工程豐富經驗。自一九九零年以來，一直負責本集團地基建造機械設備、員工及資源之整體調動及採購事宜。過去十年，積極參與各類打樁工程管理工作。其本人為劉振明先生之胞弟及劉振家先生之胞兄。

劉振家先生，52歲，執行董事。七十年代初加盟本集團，負責本集團機械及設備保養維修之整體管理。積逾20年機械工程及建築／地基設備豐富經驗。自加盟本集團以來，一直負責本集團機械及設備保養。過去十六年，專注於建築機械及設備保養及維修整體管理事宜。其本人為劉振明先生及劉振國先生之胞弟。

Ms. LEUNG Lai So, aged 59, is an Executive Director. She joined the Group since 1970. She has extensive experience in management for over 20 years. She was responsible for administration and accounting of the Group from 1970 to 1990, and has been responsible for administration and human resources since 1990. She holds a diploma in management from the Chinese University of Hong Kong. She is the spouse of Mr. Lau Chun Ming.

Mr. HSU Kam Yee, Simon, aged 51, joined the Group in 2001 and is an Executive Director. He is responsible for the business development, tendering and overall management of construction projects of the Group. He has worked for publicly listed construction and engineering companies in Hong Kong for 24 years, involving in civil engineering and building projects, specialising in foundation works of various nature. He holds a bachelor degree of science in mathematics and a bachelor degree of science in civil engineering from the University of Saskatchewan in Canada and a master degree in business administration from the University of East Asia in the Macau Special Administrative Region of the PRC. He is a Registered Professional Engineer in Hong Kong and a member of the Institution of Civil Engineers in the UK and Hong Kong Institution of Engineers. He is appointed by the Buildings Department as a member of the Contractors Registration Committee Panel.

Mr. CHAN Sun Kwong, aged 39, joined the Group in 2002 and is an Executive Director. He is also the finance director and company secretary of the Group. He is responsible for advising on financial, accounting, treasury and banking matters of the Group. He has over 20 years of experience in public accounting, auditing, finance and banking industry in Hong Kong and overseas. He is a fellow member of both the Association of Chartered Certified Accountants in the UK and the Hong Kong Institute of Certified Public Accountants.

梁麗蘇女士，59歲，執行董事。自一九七零年加盟本集團。積逾20年豐富管理經驗，由一九七零年至一九九零年間負責本集團之行政及會計。自一九九零年以來一直負責行政與人力資源事務，並持有香港中文大學管理文憑。其本人為劉振明先生配偶。

許錦儀先生，51歲，執行董事，於二零零一年加盟本集團，負責本集團業務拓展、工程項目投標及整體管理。之前曾任職香港多間上市建築及工程公司達24年，負責土木工程及建築項目，專長於各類地基工程。持有加拿大University of Saskatchewan數學理學士及土木工程理學學士學位及中國澳門特別行政區東亞大學工商管理碩士學位。現為香港註冊專業工程師、英國土木工程師學會及香港工程師學會會員。彼獲屋宇署委任為承建商註冊事務委員會委員團委員。

陳晨光先生，39歲，執行董事，於二零零二年加盟本集團，亦為本集團財務董事及公司秘書，負責就本集團財務、會計、司庫及銀行事務提供意見。之前於香港及海外公共會計、審核、財務及銀行等行業，積逾20年經驗。現為英國特許公認會計師公會及香港會計師公會資深會員。

(c) Non-executive Director

Mr. CHIU Kam Kun, Eric, aged 47, is a Non-executive Director. He joined the Group in 2000 and has been working for major construction and engineering companies in Hong Kong for over 25 years, involving in civil engineering and building projects. He holds a higher diploma in civil engineering from the Hong Kong Polytechnic University and a master degree of science in construction project management from the University of Hong Kong. He is a member of the Institution of Civil Engineers in the UK, Hong Kong Institution of Engineers, the Institution of Engineers, Australia and the Chartered Institute of Arbitrators in the UK, an associate of the Hong Kong Institute of Arbitrators, and a member of the Contractor Registration Committee under the Buildings Ordinance.

(d) Independent Non-executive Director

Dr. LEE Peng Fei, Allen, CBE, BS, FHKIE, JP, aged 66, joined the Company in 2003 and is an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee. Dr. Lee holds an honorary doctoral degree in engineering from the Hong Kong Polytechnic University and an honorary doctoral degree in laws from the Chinese University of Hong Kong. Dr. Lee is a deputy of Hong Kong SAR, the 9th and 10th National People's Congress, PRC and has taken an active role in public service. He was formerly a member of the Hong Kong Legislative Council from 1978 to 1997 and a senior member of the Hong Kong Legislative Council from 1988 to 1991. Dr. Lee was also a member of the Hong Kong Executive Council from 1985 to 1992.

(c) 非執行董事

趙錦均先生，47歲，為非執行董事。於二零零零年加盟本集團，已任職於香港多間主要建築及工程公司超逾25年，負責土木工程及建造項目。持有香港理工大學土木工程高級文憑及香港大學建築項目管理理學碩士學位。現為英國土木工程師學會、香港工程師學會、澳洲工程師學會及英國特許仲裁員公會會員、香港仲裁員公會會員，以及建築物條例之承建商註冊委員會委員。

(d) 獨立非執行董事

李鵬飛博士，CBE, BS, FHKIE, JP，66歲，於二零零三年加盟本公司，擔任獨立非執行董事、薪酬委員會主席及審核委員會成員，持有香港理工大學工程榮譽博士學位及香港中文大學榮譽法學博士學位。李博士為第九屆及第十屆全國人大香港區代表，並積極參與社會服務。一九七八年至一九九七年期間，曾擔任香港立法局議員，及一九八八年至一九九一年期間，出任香港立法局首席議員。一九八五年至一九九二年期間，李博士亦擔任過香港行政局議員。

Professor WONG Sue Cheun, Roderick, aged 61, joined the Company in 2003 and is an Independent Non-executive Director and a member of both the Audit Committee and the Remuneration Committee. Professor Wong holds a bachelor degree of arts from San Diego State College, the US and a doctoral degree of philosophy from the University of Alberta, Canada. He is a Fellow of the Royal Society of Canada and Chevalier dans l'Ordre National de la Légion d'Honneur of France. Currently, he is the Vice-President (Research)/Dean of Graduate Studies at the City University of Hong Kong.

Mr. CHAN Wai Dune, aged 53, joined the Company in 2004 and is an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee. He has over 25 years of experience in the finance sector, particularly in auditing and taxation areas. He is currently a member of CPPCC of Guangzhou Municipal Committee and a member of the Executive Council of China Overseas Friendship Association. He was a member of the Selection Committee for the establishment of the First Government of the Hong Kong Special Administrative Region. He is a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Chan is currently the Managing Director of CCIF CPA Limited.

Management contracts

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

Major customers and suppliers

During the year, approximately 87.18 per cent. and 42.53 per cent. of the Group's turnover was attributable to the five largest customers and the largest customer respectively.

王世全教授，61歲，於二零零三年加盟本公司，擔任獨立非執行董事及審核委員會與薪酬委員會成員，持有美國 San Diego State College 文學士學位以及加拿大 University of Alberta 哲學博士學位。現為 Royal Society of Canada 院士、Chevalier dans l'Ordre National de la Légion d'Honneur of France。彼現職香港城市大學副校長(研究)及研究生院院長。

陳維端先生，53歲，於二零零四年加盟本公司，擔任獨立非執行董事、審核委員會主席及薪酬委員會成員。彼於財經界，尤其核數及稅務方面累積超過25年經驗。陳先生現任廣州市政協委員及中華海外聯誼會理事。陳先生曾任香港特別行政區政府第一屆推選委員會委員。彼為一位執業會計師及香港會計師公會、英國特許公認會計師公會及香港稅務學會之資深會員。陳先生現時為陳葉馮會計師事務所有限公司之董事總經理。

管理合約

於本年度內概無訂立或存有關於本公司全部或任何重大部份業務之管理及行政方面之合約。

主要客戶及供應商

於年內，本集團五大客戶及最大客戶分別佔本集團營業額約87.18%及42.53%。

During the year, approximately 83.97 per cent. and 28.02 per cent. of the Group's purchases were attributable to the five largest suppliers and the largest supplier respectively.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5 per cent. of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

Connected transactions

The following connected transactions were entered into by the Group during the year, certain details of which are disclosed in accordance with Chapter 14A of the Listing Rules.

(a) Hiring of vessels

On 25 January 2005, Sam Woo Bore Pile Foundation Limited as charterer and Sam Woo Ship Building Limited as owner entered into two vessel charter agreements ("Charter Agreements") for hiring of certain barges for construction project for a term of 12 calendar months commencing from January 2005 at a monthly total rental of HK\$350,000. The annual and aggregate rentals payable under the Tenancy Agreement are HK\$4,200,000.

Sam Woo Bore Pile Foundation Limited is a wholly owned subsidiary of the Company whereas Sam Woo Ship Building Limited is jointly owned and controlled by Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So, each of whom being a director and substantial shareholder of the Company.

於年內，本集團採購額約83.97%源自本集團五大供應商，採購額28.02%源自最大供應商。

概無董事、彼等之聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%或以上之人士)，於上述主要供應商或客戶中擁有權益。

關連交易

本集團於年內進行以下關連交易，其若干詳情乃按上市規則第14A章作出披露：

(a) 租賃駁船

三和地基有限公司作為承租方及三和修船廠有限公司作為擁有方於二零零五年一月二十五日訂立兩份租船協議(「租船協議」)，以租賃若干駁船進行建築工程，協議由二零零五年一月開始生效，為期十二個曆月，每月總租賃費350,000港元。根據租船協議，每年之應付租賃費總額為4,200,000港元。

三和地基有限公司為本公司之全資附屬公司，而三和修船廠有限公司則由本公司各董事及主要股東劉振明先生、劉振國先生、劉振家先生及梁麗蘇女士共同擁有和控制。

(b) Leasing of storage property

On 1 August 2005, Sam Woo Bore Pile Foundation Limited as tenant and Cheer Crown Limited as landlord entered into a tenancy agreement (“Tenancy Agreement”) for leasing of certain property for open storage purpose for a term of 24 calendar months commencing from 1 August 2005 to 31 July 2007 (both days inclusive) at a monthly rental of HK\$90,000. The annual rental and aggregate rentals payable under the Tenancy Agreement are HK\$1,080,000 and HK\$2,160,000 respectively. The management fees, rates and government rent in respect of the property, if any, shall be paid by the landlord.

Sam Woo Bore Pile Foundation Limited is a wholly owned subsidiary of the Company whereas Cheer Crown Limited is wholly owned and controlled by Mr. Lau Chun Ming, a director of the Company.

(c) Leasing of premises

On 1 August 2005, Sam Woo Holdings Limited as tenant and Long Ascent Development Limited, Healthy World Investment Limited, Cheer Wealth International Development Limited, Cheer Profit International Enterprise Limited and East Ascent Enterprise Limited as landlords entered into various tenancy agreements (“Tenancy Agreements”) for leasing of certain premises for directors’ quarters for a term of 24 calendar months commencing from 1 April 2005 to 31 March 2007 (both days inclusive) at a monthly rental of HK\$43,000, HK\$43,000, HK\$66,000, HK\$3,000 and HK\$3,000 respectively. The annual rental payable under the Tenancy Agreements are HK\$516,000, HK\$516,000, HK\$792,000, HK\$36,000 and HK\$36,000 respectively and the aggregate rentals payable under the Tenancy Agreements are HK\$1,032,000, HK\$1,032,000, HK\$1,584,000, HK\$72,000 and HK\$72,000 respectively. The management fees, rates and government rent in respect of the property, if any, shall be paid by the landlord.

(b) 存倉物業租賃

三和地基有限公司作為租客與嘉勳有限公司作為業主，於二零零五年八月一日訂立租賃協議（「租賃協議」），租賃一項物業作露天儲存用途，為期二十四個曆月，由二零零五年八月一日起至二零零七年七月三十一日止（包括首尾兩天），月租90,000港元。根據租賃協議應付之年租及租金總額分別為1,080,000港元及2,160,000港元，該物業之管理費、差餉及地租（如有）由業主支付。

三和地基有限公司為本公司之全資附屬公司，而嘉勳有限公司則由本公司一名董事劉振明先生全資擁有和控制。

(c) 物業租賃

三和集團有限公司作為租客與長升發展有限公司、健匯投資有限公司、富怡國際發展有限公司、置利國際企業有限公司及東升企業有限公司作為業主，於二零零五年八月一日訂立多項租賃協議（「租賃協議」），租賃若干物業作為董事宿舍，為期二十四個曆月，由二零零五年四月一日起至二零零七年三月三十一日止（包括首尾兩天），月租分別為43,000港元、43,000港元、66,000港元、3,000港元及3,000港元。根據租賃協議應付之年租分別為516,000港元、516,000港元、792,000港元、36,000港元及36,000港元，而根據租賃協議應付之租金總額分別為1,032,000港元、1,032,000港元、1,584,000港元、72,000港元及72,000港元。該物業之管理費、差餉及地租（如有）由業主支付。

Long Ascent Development Limited, Healthy World Investment Limited, Cheer Wealth International Development Limited, Cheer Profit International Enterprise Limited and East Ascent Enterprise Limited are companies beneficially owned by certain directors of the Company, including Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So.

長升發展有限公司、健匯投資有限公司、富怡國際發展有限公司、置利國際企業有限公司及東升企業有限公司為本公司若干董事(包括劉振明先生、劉振國先生、劉振家先生及梁麗蘇女士)實益擁有之公司。

(d) Consultancy services

Consultancy fees were paid to companies in which Mr. Chan Sun Kwong and Mr. Chiu Kam Kun, Eric, directors of the Company, have beneficial interests for their services provided to the Group, which were charged at monthly fees agreed amongst the parties involved.

(d) 顧問服務

就由本公司董事陳晨光先生及趙錦均先生擁有實益權益之公司向本集團提供之服務支付顧問費，並按有關方共同協定之月費收取。

The directors of the Company, including the independent non-executive directors, considered that all of the above transactions were in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable so far as the Company and its shareholders are concerned.

本公司董事包括獨立非執行董事，認為以上所有交易於本集團日常和一般之業務過程中產生，且按照一般商業條款進行，對本公司及其股東而言，均為公平合理。

PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited, the auditors of the Company, had reviewed the transactions and reported that:

本公司之核數師羅兵咸永道會計師事務所及劉歐陽會計師事務所有限公司已審閱該等交易，並匯報：

- (a) the Directors have approved the transactions upon entering into the Charter Agreements and Tenancy Agreements governing such transactions;
- (b) the transactions have been entered into in accordance with the terms of each of the Charter Agreements and Tenancy Agreements; and
- (c) the transactions contemplated under the Charter Agreements and Tenancy Agreements have not exceeded the annual cap as disclosed in the announcements of the Company dated 31 January 2005 and 3 August 2005.

- (a) 董事會已於訂立規管該等交易之租船協議及租賃協議時批准該等交易；
- (b) 該等交易已根據租船協議及租賃協議各自所載之條款訂立；及
- (c) 租船協議及租賃協議項下之交易並無超出本公司日期為二零零五年一月三十一日及二零零五年八月三日之公佈所披露之上限金額。

Pre-emptive rights

There is no provision for pre-emptive rights under the law of Bermuda or the Company's bye-laws in respect of the Company's share capital.

Purchase, sale or redemption of the Company's listed shares

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

Sufficiency of public float

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

Auditors

The financial statements have been audited by PricewaterhouseCoopers and Lau & Au Yeung C.P.A. Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

LAU Chun Ming

Chairman

Hong Kong, 19 July 2006

優先購買權

百慕達法例或本公司細則並無有關本公司股本之優先購買權條文。

購買、出售或贖回本公司上市股份

本公司或其任何附屬公司於年內，概無購買、出售或贖回本公司任何上市股份。

充足之公眾持股量

根據本公司獲得之公開資料及就董事所知，於本報告日期，本公司已按照上市規則規定維持充足之公眾持股量。

核數師

財務報表已獲羅兵咸永道會計師事務所及劉歐陽會計師事務所有限公司審核，彼等將輪席告退並願重新委聘。

代表董事會

劉振明

主席

香港，二零零六年七月十九日