

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries and associate are set out in notes 19 and 20 respectively to the financial statements.

RESULTS

The results of the Group for the year ended 31 March 2006 are set out in the consolidated income statement on page 27.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group and the Company during the year are set out in note 17 and 15 to the financial statements, respectively.

MAJOR PROPERTIES

Details of the major properties of the Group at 31 March 2006 are set out on page 136.

SHARE CAPITAL AND WARRANTS

Movements in the share capital and warrants of the Company are set out in note 37 to the financial statements.

RESERVES

Details of movements during the year in the reserves of the Group and the Company are set out in note 39 to the financial statements.

DIRECTORS

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

Executive directors:

Chan Heng Fai
Chan Tong Wan
Chan Yoke Keow
Chan Sook Jin, Mary-ann

Non-executive director:

Fong Kwok Jen

Independent non-executive directors:

Lee Ka Leung, Daniel
Wong Dor Luk, Peter
Da Roza Joao Paulo

董事會報告書

董事謹此提呈本公司截至二零零六年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司乃投資控股公司，並為其附屬公司提供公司管理服務。其主要附屬公司及聯營公司之業務分別載於財務報表附註19及20。

業績

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27頁之綜合收益賬內。

物業、廠房及設備和投資物業

本集團與本公司之物業、廠房及設備和投資物業於年內之變動情況載於財務報表附註17及15。

主要物業

本集團於二零零六年三月三十一日所持有之主要物業詳情載於第136頁。

股本及認股權證

本公司之股本及認股權證變動情況載於財務報表附註37。

儲備

本集團及本公司於年內之儲備變動詳情載於財務報表附註39。

董事

年內及截至本報告日期為止，本公司之在任董事如下：

執行董事：

陳恒輝
陳統運
陳玉嬌
陳淑貞

非執行董事：

鄭國禎

獨立非執行董事：

李家樑
王多祿
Da Roza Joao Paulo

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Alternate directors:

Lau Kwok Fai (alternate to Chan Heng Fai)
 Wooldridge Mark Dean (alternate to Fong Kwok Jen)

In accordance with Articles 78 and 79 of the Company's Articles of Association, Mr. Lee Ka Leung, Daniel and Ms. Chan Sook Jin, Mary-ann retire by rotation and, being eligible, offer themselves for re-election. The term of office of each non-executive director and independent non-executive director is the period up to his retirement by rotation and each one of them can be re-appointed in accordance with the above articles.

DIRECTORS' INTERESTS IN SECURITIES

At 31 March 2006, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions

(a) Ordinary shares of HK\$0.01 each of the Company

Name of director	Capacity		
董事姓名	身分		
Chan Heng Fai 陳恒輝	Beneficial owner 實益擁有人		
Chan Yoke Keow 陳玉嬌	Beneficial owner 實益擁有人		
	Held by trust (Note 1) 以信託持有 (附註1)		
	Held by controlled corporations (Note 2) 所控制之公司持有 (附註2)		
		664,729,300	40.87
Chan Sook Jin, Mary-ann 陳淑貞	Beneficial owner 實益擁有人	25,650	0.00
	Held by spouse (Note 3) 由配偶持有 (附註3)	3,416,000	0.21
		3,441,650	0.21

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替任董事：

劉國輝 (陳恒輝之替任董事)
 Wooldridge Mark Dean (鄺國禎之替任董事)

根據本公司之公司組織章程細則第78及79條，李家樑先生及陳淑貞女士須輪值告退，惟合資格且願膺選連任。各非執行董事及獨立非執行董事之任期至根據上述細則輪值告退為止，且均可根據上述細則再獲委任。

董事於證券之權益

於二零零六年三月三十一日，董事及本公司主要行政人員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)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及第8分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益或淡倉)，或根據證券及期貨條例第352條須登記於該條所述登記冊之權益及淡倉，或根據上市規則所載上市公司董事進行證券交易的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) 本公司每股面值0.01港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股數目	佔本公司已發行股本百分比
135,196,225	8.31
31,437,275	1.93
59,733,600	3.67
573,558,425	35.26
664,729,300	40.87
25,650	0.00
3,416,000	0.21
3,441,650	0.21

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Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身分	所持已發行普通股數目	佔本公司已發行股本百分比 %
Fong Kwok Jen 鄭國禎	Beneficial owner 實益擁有人	3,828,000	0.24
Chan Tong Wan 陳統運	Beneficial owner 實益擁有人	5,252,150	0.32
Wong Dor Luk, Peter 王多祿	Beneficial owner 實益擁有人	280,000	0.02
Da Roza Joao Paulo	Beneficial owner 實益擁有人	4,800	0.00
	Held by spouse (Note 4) 由配偶持有 (附註4)	460,000	0.03
		<u>464,800</u>	<u>0.03</u>
		<u>813,192,125</u>	<u>50.00</u>

(b) Share options

(b) 購股權

Name of director	Date granted	Exercisable period	Exercise price per share	Number of share options outstanding	Percentage of the issued share capital of the Company
董事姓名	授出日期	可予行使期限	每股行使價 港元 HK\$	尚未行使之購股權數目	佔本公司已發行股本百分比 %
Chan Heng Fai 陳恒輝	1.11.2004 15.11.2004	1.11.2004 – 8.5.2013 20.11.2004 – 8.5.2013	0.16 0.1616	15,000,000 147,000,000	0.92 9.04
Chan Yoke Keow 陳玉嬌	1.11.2004 15.11.2004	1.11.2004 – 8.5.2013 20.11.2004 – 8.5.2013	0.16 0.1616	15,000,000 35,000,000	0.92 2.15
Chan Tong Wan 陳統運	15.11.2004	20.11.2004 – 8.5.2013	0.1616	15,000,000	0.92
Chan Sook Jin, Mary-ann 陳淑貞	15.11.2004	20.11.2004 – 8.5.2013	0.1616	5,000,000	0.31
Fong Kwok Jen 鄭國禎	15.11.2004	20.11.2004 – 8.5.2013	0.1616	8,000,000	0.49
Lee Ka Leung, Daniel 李家樑	15.11.2004	20.11.2004 – 8.5.2013	0.1616	3,000,000	0.19
Wong Dor Luk, Peter 王多祿	15.11.2004	20.11.2004 – 8.5.2013	0.1616	3,000,000	0.19
Da Roza Joao Paulo	27.5.2005	28.5.2005 – 8.5.2013	0.15	2,000,000	0.12
				<u>248,000,000</u>	<u>15.25</u>

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(c) Warrants

(c) 認股權證

Name of director	Capacity	Number of warrants held	Number of underlying shares	Percentage of Issued share capital of the Company % 佔本公司已發行股本百分比
董事姓名	身分	所持認股權證數目	相關股份數目	
Chan Heng Fai 陳恒輝	Beneficial owner 實益擁有人	21,126,444	21,126,444	1.30%
Chan Yoke Keow 陳玉嬌	Beneficial owner 實益擁有人	6,366,454	6,366,454	0.39%
	Held by trust (Note 1) 以信託持有 (附註1)	11,946,720	11,946,720	0.73%
	Held by controlled corporations (Note 2) 所控制之公司持有 (附註2)	100,289,902	100,289,902	6.17%
		118,603,076	118,603,076	7.29%
Chan Sook Jin, Mary-ann 陳淑貞	Beneficial owner 實益擁有人	5,128	5,128	0.00%
	Held by spouse (Note 3) 由配偶持有 (附註3)	683,200	683,200	0.04%
		688,328	688,328	0.04%
Fong Kwok Jen 鄺國禎	Beneficial owner 實益擁有人	765,600	765,600	0.05%
Chan Tong Wan 陳統運	Beneficial owner 實益擁有人	1,039,989	1,039,989	0.06%
Wong Dor Luk, Peter 王多祿	Beneficial owner 實益擁有人	56,000	56,000	0.00%
Da Roza Joao Paulo	Beneficial owner 實益擁有人	960	960	0.00%
	Held by spouse (Note 4) 由配偶持有 (附註4)	92,000	92,000	0.01%
		92,960	92,960	0.01%
		142,372,397	142,372,397	8.75%

Notes:

- These shares/warrants are owned by a discretionary trust, HSBC Trust (Cook Island) Limited. Mrs. Chan Yoke Keow ("Mrs. Chan") is one of the discretionary objects. Mrs. Chan is the spouse of Mr. Chan Heng Fai.
- These shares/warrants are owned by First Pacific International Limited and Prime Star Group Co. Ltd., in which Mrs. Chan has 100% equity interests.
- These shares/warrants are owned by Mr. Wooldridge Mark Dean, the spouse of Ms. Chan Sook Jin, Mary-ann.
- These shares/warrants are owned by Ms. Josephina B. Ozorio, the spouse of Mr. Da Roza Joao Paulo.

附註:

- 該等股份／認股權證由一項全權信託HSBC Trust (Cook Island) Limited擁有，而陳玉嬌女士(「陳女士」)乃該項信託受益人之一。陳女士為陳恒輝先生之配偶。
- 該等股份／認股權證由陳女士擁有全部股本權益之First Pacific International Limited及Prime Star Group Co. Ltd.擁有。
- 該等股份／認股權證由陳淑貞女士之配偶Wooldridge Mark Dean先生擁有。
- 該等股份／認股權證由Da Roza Joao Paulo先生之配偶Josephina B. Ozorio女士擁有。

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董事會報告書

(2) Options

Particulars of the Company's and subsidiary's share option schemes are set out in note 38 to the financial statements.

The following table discloses details of the Company's share options in issue during the year:

Name of director	Date granted	Exercisable period	Exercise price per share	Outstanding at 4.1.2005	Granted during the year	Cancelled during the year	Outstanding at 3.31.2006
董事姓名	授出日期	可予行使期限	每股行使價	於二零零五年四月一日尚未行使	年內授出	年內註銷	於二零零六年三月三十一日尚未行使
			HK\$ 港元	HK\$ 港元			
Category 1: Directors	第一類：董事						
Chan Heng Fai	陳恒輝	1.11.2004 - 8.5.2013	0.16	15,000,000	-	-	15,000,000
		15.11.2004 - 8.5.2013	0.1616	147,000,000	-	-	147,000,000
Chan Yoke Keow	陳玉嬌	1.11.2004 - 8.5.2013	0.16	15,000,000	-	-	15,000,000
		15.11.2004 - 8.5.2013	0.1616	35,000,000	-	-	35,000,000
Chan Tong Wan	陳統運	15.11.2004 - 8.5.2013	0.1616	15,000,000	-	-	15,000,000
Chan Sook Jin, Mary-ann	陳淑貞	15.11.2004 - 8.5.2013	0.1616	5,000,000	-	-	5,000,000
Fong Kwok Jen	鄭國禎	15.11.2004 - 8.5.2013	0.1616	8,000,000	-	-	8,000,000
Lee Ka Leung, Daniel	李家傑	15.11.2004 - 8.5.2013	0.1616	3,000,000	-	-	3,000,000
Wong Dor Luk, Peter	王多祿	15.11.2004 - 8.5.2013	0.1616	3,000,000	-	-	3,000,000
Da Roza Joao Paulo		28.5.2005 - 8.5.2013	0.15	-	2,000,000	-	2,000,000
Total for directors	董事總數			246,000,000	2,000,000	-	248,000,000
Category 2: Employees	第二類：僱員						
Total for employees	僱員總數	15.11.2004 - 8.5.2013	0.1616	35,500,000	-	(1,300,000)	34,200,000
Total for all categories	所有類別總數			281,500,000	2,000,000	(1,300,000)	282,200,000

The closing price of the Company's shares immediately before 27 May 2005, the date on which the share options were granted, were HK\$0.15.

At 31 March 2006, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 282,200,000, representing 17.3% of the share of the Company in issue at that date.

(2) 購股權

本公司及附屬公司之購股權計劃詳情載於財務報表附註38。

下表披露本公司於年內已發行之購股權詳情：

本公司股份於緊接二零零五年五月二十七日(購股權之授出日期)之收市價為0.15港元。

於二零零六年三月三十一日，根據購股權計劃已授出但仍然尚未行使之購股權涉及之股份數目為282,200,000股，佔本公司於該日之已發行股份17.3%。

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In addition, the following outstanding options to subscribe for shares in the capital of a subsidiary of the Company, granted to certain directors of the Company under the share option schemes of this subsidiary were as follows:

eBanker USA.Com, Inc. ("eBanker")

The following table presents details of share options in issue during the year.

		Number of Exercise price per share	share options at 3.31.2006 於二零零六年 三月三十一日之 購股權數目
		每股行使價 美元 US\$	
Category 1: Directors	第一類：董事		
Chan Heng Fai	陳恒輝	3.00	500,000
Fong Kwok Jen	鄺國禎	3.00	100,000
Total held by directors	董事所持總數		600,000
Category 2: Others	第二類：其他人士		
Total held by others	其他人士所持總數	3.00	20,000
Total	總計		620,000

There was no movement in the share options granted by eBanker during the year.

Other than 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.

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此外，以下可認購本公司一間附屬公司股本中股份之尚未行使購股權乃根據該等附屬公司之購股權計劃授予本公司若干董事，詳情如下：

eBanker USA.com, Inc. (「eBanker」)

下表乃年內已發行購股權之詳情。

	Number of Exercise price per share	share options at 3.31.2006 於二零零六年 三月三十一日之 購股權數目
	每股行使價 美元 US\$	
Category 1: Directors		
Chan Heng Fai	3.00	500,000
Fong Kwok Jen	3.00	100,000
Total held by directors		600,000
Category 2: Others		
Total held by others	3.00	20,000
Total		620,000

eBanker授出之購股權於年內並無任何變動。

除上文披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，致使本公司董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

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DIRECTORS' SERVICE CONTRACTS

- (i) On 25 February 2005, a service contract was entered into between the Company and Mr. Chan Heng Fai ("Mr. Chan") for a term of three years expiring on 31 January 2008. The service contract provides for the payment of a salary of HK\$2,100,000 per month. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month.

In the event that the Company should terminate Mr. Chan's employment following the change of control of the Company, as defined in the service contract, or for any reasons not specifically excluded in the service contract, Mr. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary (excluding bonus, if applicable), not to exceed 12 months of salary, in respect of the unexpired term of the Service Contract on the date notice of termination is given.

- (ii) On 22 April 2002, a service contract was entered into between the Company and Mrs. Chan for a term of 5 years expiring on 1 February 2007. This service contract provides for the payment of a salary of the greater of (a) an annual salary equal to 1% of the net asset value of the Company as shown in its consolidated audited accounts at each financial year end, or (b) 110% of the basic salary as mentioned in the service contract with Mrs. Chan. In addition, Mrs. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month. For a period of 12 calendar months beginning 1 May 2002, Mrs. Chan voluntarily received only 75% of the greater of (a) or (b) above.

In the event that the Company should terminate Mrs. Chan's employment following the change of control of the Company, as defined in the service contract, or for any reasons not specifically excluded in the service contract, Mrs. Chan shall be entitled to receive as liquidated damages a lump sum equal to the sum which would have been payable by the Company as gross salary in respect of the unexpired term of the service contract on the date notice of termination is given.

Other than as disclosed above, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

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董事之服務合約

- (i) 本公司與陳恒輝先生(「陳先生」)於二零零五年二月二十五日訂立一份為期三年之服務合約，將於二零零八年一月三十一日屆滿。此服務合約規定須支付之薪金金額為每月2,100,000港元。此外，陳先生亦有權收取每月30,000港元之房屋津貼。

倘本公司因控制權轉變(定義見服務合約)，或因服務合約並無特別訂明豁免之任何原因而終止僱用陳先生，則陳先生有權於接獲解僱通知當日收取一筆定額賠償，數額相當於本公司於此服務合約餘下期間須付予陳先生之薪金總額(不包括花紅(如適用))，惟不得超出十二個月薪金。

- (ii) 本公司與陳女士於二零零二年四月二十二日訂立一份為期五年之服務合約，將於二零零七年二月一日屆滿。該服務合約規定須支付之薪金金額為下列較高者：(a)相等於本公司每個財政年度年結日之綜合經審核賬目所示本公司資產淨值1%之年薪；或(b)與陳女士所訂立服務合約所述基本薪金110%。此外，陳女士亦有權收取每月30,000港元之房屋津貼。由二零零二年五月一日起十二個曆月期間，陳女士自願僅收取上文(a)或(b)項較高者之75%。

倘本公司因控制權轉變(定義見服務合約)，或因服務合約並無特別訂明豁免之任何原因而終止僱用陳女士，則陳女士有權於接獲解僱通知當日收取一筆定額賠償，數額相當於本公司於服務合約餘下期間須付予陳女士之薪金總額。

除上文披露者外，概無任何董事與本公司訂立任何本公司不可於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

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DIRECTORS' INTERESTS IN CONTRACTS

No contract 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.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2006, according to the register of interest in shares and underlying shares and short positions kept by the Company pursuant to Section 336 of the SFO and so far as is known to or can be ascertained after reasonable enquiries by the directors, the persons (other than the Directors of the Company or their respective associate) who were interested in 5% or more in the issued share capital of the Company are as follows:

Name 名稱	Number of shares and underlying shares held 所持股份及相關股份數目	% 百分比
Prime Star Group Co., Ltd.	559,301,207	34.4
First Pacific International Limited	114,547,120	7.0
Novena Furnishing Centre Pte Ltd	92,472,000	5.7
Novena Holdings Limited (Note) 羅敏娜控股有限公司 (附註)	92,472,000	5.7

Note: Novena Holdings Limited is deemed to be interested in 92,472,000 shares by virtue of its corporate interests in Novena Furnishing Centre Pte Ltd.

Save as disclosed above, as at 31 March 2006, no person other than the directors of the Company whose interests are set out in the section headed "Directors' and chief executives' interests in shares and underlying shares" above, had registered an interest of 5% or more in the issued share capital of the Company, and short positions in the shares and underlying shares that was required to be recorded in the register of interest pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2006, the aggregate amount of turnover and purchases attributable to the Group's five largest customers and suppliers respectively accounted for less than 30% of the Group's total turnover and purchases.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 49 to the financial statements.

董事會報告書

董事於合約及關連交易之權益

本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益且於年終或年內任何時間仍然生效之其他重要合約。

主要股東

於二零零六年三月三十一日，根據本公司遵照證券及期貨條例第336條存置之股份及相關股份權益及淡倉登記冊及據董事目前所知或於作出合理查詢後確定，下列人士(本公司董事或彼等各自之聯繫人士除外)擁有本公司已發行股本5%或以上權益：

Name 名稱	Number of shares and underlying shares held 所持股份及相關股份數目	% 百分比
Prime Star Group Co., Ltd.	559,301,207	34.4
First Pacific International Limited	114,547,120	7.0
Novena Furnishing Centre Pte Ltd	92,472,000	5.7
Novena Holdings Limited (Note) 羅敏娜控股有限公司 (附註)	92,472,000	5.7

附註：基於羅敏娜控股有限公司於Novena Furnishing Centre Pte Ltd之公司權益，其被視為於92,472,000股股份中擁有權益。

除上文披露者外，於二零零六年三月三十一日，除上文「董事及主要行政人員於股份及相關股份之權益」一節所載本公司董事擁有之權益外，概無任何人士登記擁有本公司已發行股本5%或以上權益及須根據證券及期貨條例第336條記入權益登記冊之股份及相關股份淡倉。

主要客戶及供應商

截至二零零六年三月三十一日止年度，本集團五大客戶及供應商分別佔本集團營業總額及採購總額不足30%。

購回、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購回、出售或贖回本公司任何上市證券。

結算日後事項

於結算日後之重大事項詳情載於財務報表附註49。

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended 31 March 2006 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), with exception of a few deviations. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in pages 22 to 25 of the Annual Report.

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 within the knowledge of the Directors.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Grant Thornton as auditors of the Company.

On behalf of the Board

CHAN TONG WAN
MANAGING DIRECTOR

20 July, 2006

董事會報告書

企業管治

董事認為，本公司於截至二零零六年三月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則，惟若干偏離除外。有關本公司之企業管治常規的詳細資料載於本年報第22至25頁所載之企業管治報告內。

公眾持股量

根據本公司公開可得資料及就董事所知悉，本公司於本報告日期維持上市規則訂明之公眾持股量。

核數師

將於股東週年大會提呈有關續聘均富會計師行為本公司核數師之決議案。

代表董事會

董事總經理
陳統運

二零零六年七月二十日