

REPORT OF THE DIRECTORS 董事會報告

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

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. Over 90% of the Group's revenues and results are derived from activities carried out in Hong Kong.

An analysis of the Group's performance by business segment is set out in note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 59.

The directors have declared an interim dividend of HK3 cents per ordinary share, totalling HK\$14,638,000, which was paid on 13th January 2006.

The directors recommend the payment of a final dividend of HK7 cents per ordinary share, totalling HK\$34,156,000 and payable on 15th September 2006.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 28 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements.

DONATIONS

Donations made by the Group during the year amounted to approximately HK\$320,000 (2005: HK\$628,000).

董事會謹提呈彼等之董事會報告連同截至2006年3月31日止年度的經審核財務報表。

主要業務及經營分佈之分析

本公司乃一間投資控股公司，其附屬公司主要從事金飾與黃金裝飾品、鑲石首飾與寶石及其他配飾之零售及批發業務。本集團逾90%之收入及業績均源自在香港經營之業務。

本集團按業務分類之業績表現分析載於財務報表附註6。

業績及分派

本集團本年度之業績載於第59頁之綜合損益表內。

董事會已宣派中期股息每股普通股3港仙，合共14,638,000港元，已於2006年1月13日派發。

董事會現建議派發末期股息每股普通股7港仙，合共34,156,000港元，將於2006年9月15日派發。

儲備

年內本集團及本公司儲備之變動載於財務報表附註28。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註16。

捐款

本集團於年內作出之捐款約320,000港元(2005年：628,000港元)。

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SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2006, calculated under the Companies Act of Bermuda, amounted to HK\$366,575,000 (2005: HK\$360,353,000).

FIVE YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for each of the last five financial years ended 31st March are as follows:

		2002	2003	2004	2005	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Restated)	(Restated)	(Restated)	(Restated)	
		(重列)	(重列)	(重列)	(重列)	
Results	業績					
Turnover	營業額	<u>1,478,806</u>	<u>1,461,763</u>	<u>1,598,123</u>	<u>1,961,720</u>	<u>2,126,297</u>
Profit attributable to shareholders	股東應佔溢利	<u>64,907</u>	<u>48,867</u>	<u>73,816</u>	<u>125,795</u>	<u>95,695</u>
Assets and liabilities	資產及負債					
Total assets	總資產值	<u>607,674</u>	<u>667,437</u>	<u>709,189</u>	<u>832,084</u>	<u>898,941</u>
Total liabilities	總負債額	<u>91,867</u>	<u>98,147</u>	<u>120,451</u>	<u>158,775</u>	<u>170,749</u>
Shareholders' funds	股東資金	<u>511,858</u>	<u>564,822</u>	<u>580,902</u>	<u>664,060</u>	<u>715,164</u>

The comparative figures for the four years ended 31st March 2005 have been restated as a result of the adoption of Hong Kong Accounting Standard Number 17 "Leases" issued by the Hong Kong Institute of Certified Public Accountants. Details of the accounting policy are set out in note 2 to the financial statements.

股本

本公司股本之變動詳情載於財務報表附註27。

可供分派儲備

根據百慕達公司法計算，本公司於2006年3月31日之可供分派儲備為366,575,000港元(2005年：360,353,000港元)。

五年財務摘要

本集團截至3月31日止五個財政年度各年之業績、資產及負債如下：

採納香港會計師公會所頒佈之香港會計準則第17號「租賃」，截至2005年3月31日止四個年度之比較數字已作重列。會計政策詳情載於財務報表附註2內。

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PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS

The directors during the year were:

Executive Directors

Mr. WONG Wai Sheung (*Chief Executive*)
Mr. TSE Moon Chuen
Mr. LAW Tim Fuk, Paul
Mr. POON Kam Chi (resigned on 31st December 2005)
Mr. LAU Kwok Sum

Non-executive Directors

Mr. WONG Koon Cheung
Mr. CHAN Wai
Mr. LEE Shu Kuan
Miss YEUNG Po Ling, Pauline
Mr. HUI King Wai

Independent Non-executive Directors

Mr. CHIU Wai Mo
Mr. HUI Chiu Chung
Mr. LO Mun Lam, Raymond (*Chairman*)

購入、出售或贖回股份

年內，本公司並無贖回其任何股份。年內，本公司或其任何附屬公司並無購入或出售任何本公司股份。

董事

於年內之董事如下：

執行董事

黃偉常先生 (*行政總裁*)
謝滿全先生
羅添福先生
潘錦池先生 (於2005年12月31日辭任)
劉國森先生

非執行董事

黃冠章先生
陳偉先生
李樹坤先生
楊寶玲小姐
許競威先生

獨立非執行董事

趙偉武先生
許照中先生
盧敏霖先生 (*主席*)

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS (Continued)

Mr. LAU Kwok Sum, Mr. WONG Koon Cheung, Mr. CHAN Wai and Mr. LEE Shu Kuan retire by rotation in accordance with clause 99 of the Company's Bye-laws and, being eligible, offer themselves for re-election. Details of the proposed directors to be re-elected are set out in the circular sent together with this annual report.

By an ordinary resolution passed at the Annual General Meeting held on 25th August 2005, the Board was authorized to appoint additional directors up to a maximum of 20 directors.

In order to comply with the Code Provisions of the Code on Corporate Governance Practices newly included in the Listing Rules, which require that the roles of Chairman and Chief Executive should be separated and should not be performed by the same individual, Mr. LO Mun Lam Raymond, an independent non-executive director has been appointed as the Chairman of the Board with effect from 12th April 2005 as a replacement of Mr. WONG Wai Sheung, the former Chairman and Chief Executive, who has been re-designated as the Chief Executive.

On 7th April 2005 the Board approved the establishment of the Remuneration Committee comprising 3 independent non-executive directors (Mr. HUI Chiu Chung, Mr. CHIU Wai Mo and Mr. LO Mun Lam, Raymond) and 2 executive directors (Mr. WONG Wai Sheung and Mr. TSE Moon Chuen), in compliance with the revised Listing Rules.

董事(續)

根據本公司之公司細則第99條之規定，劉國森先生、黃冠章先生、陳偉先生及李樹坤先生須輪值告退，惟彼等均符合資格並願意膺選連任。建議重選董事之詳情刊載於連同本年報一併寄出之通函內。

根據於2005年8月25日舉行之股東週年大會通過之普通決議案，董事會獲授權委任最多20名額外董事。

為遵守上市規則當中最新頒佈之企業管治常規守則規定(該守則規定主席及行政總裁之職責須獨立分開，且不應由同一人士出任)，獨立非執行董事盧敏霖先生獲委任為董事會主席，自2005年4月12日起生效，以取代以往出任主席兼行政總裁而現已調任行政總裁之黃偉常先生。

於2005年4月7日，為遵照經修訂上市規則，董事會批准成立薪酬委員會，並由三名獨立非執行董事(許照中先生、趙偉武先生及盧敏霖先生)及兩名執行董事(黃偉常先生及謝滿全先生)組成。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. WONG Wai Sheung, aged 56, is the founder and Chief Executive of the Group. He is also a member of the Remuneration Committee. He has over 39 years of experience in the jewellery industry in Hong Kong. He is responsible for the overall strategic planning and management of the Group. He has been an associate director of The Kowloon Gold Silver and Jewel Merchant's Staff Association since November 1993. Mr. Wong was invited to act as honorary permanent chairman of Jewellery Traders Industry & Commerce Association since April 2001. He was elected as honorary chairman of Macau Goldsmith's Guild in 2005. He was also elected as Honorary Chairman of the First General Committee of Guangdong Golden Jewelry and Jade Industry's Association in 2006.

Mr. TSE Moon Chuen, aged 56, is the co-founder of the Group. Presently, he is the Director & Deputy General Manager and also a member of the Remuneration Committee. He has over 33 years of experience in jewellery retailing business and is responsible for the sales operations and administration of the Group's retail shops. He has been appointed to various positions over the years including: an executive committee member of the Diamond Federation of Hong Kong, China Ltd. since 2000; an alternate committee member of the Chinese Gold & Silver Exchange Society since July 2004 and the Vice-Chairman of Kowloon Pearls, Precious Stones, Jade, Gold and Silver Ornament Merchants Association since 2005. Moreover, he was the Vice-President of Hong Kong Tsuen Wan Industries and Commerce Association Limited for 10 years and was elected the Chairman of the fifth session in 2006; executive committee member of the Tsuen Wan Trade Association Limited since 1996 and was appointed as a co-opted member of the Tsuen Wan District Council, Industry & Commerce Committee in 1997 for a 10-year term. He is also a committee member of the Tsuen Wan District Fight Crime Committee since 2003 and the Vice-Chairman of the Tsuen Wan District Economy Promotion Committee from the year 2005 to 2007. Mr. Tse was appointed as the Chairman of the Tsuen Wan Festival Lightings Organizing Committee for 7 consecutive years between 1999 and 2005 and became the Vice President in 2006. He also served as the honourable President of the 32nd session of Hong Kong Kwun Tong Junior Police Call in the same year. On 1st July 2006, Mr. Tse was awarded the "Chief Executive's Commendation for Community Service" by the Government of the Hong Kong SAR.

董事及高層管理人員之履歷詳情

執行董事

黃偉常先生，56歲，為本集團創辦人兼行政總裁。彼亦為薪酬委員會成員之一。黃先生具備逾39年香港珠寶業經驗，負責本集團整體企業策劃及行政管理事宜。彼自1993年11月為九龍首飾業文員會之理事長。自2001年4月起獲邀出任玉器業工商會永遠名譽會長。彼亦於2005年獲選為澳門金業同業公會名譽會長。於2006年，彼獲委任為廣東省金銀珠寶玉器業廠商會首屆名譽會長。

謝滿全先生，56歲，為本集團之共同創辦人，現職董事兼副總經理及薪酬委員會成員之一。謝先生具備逾33年珠寶零售業經驗，負責本集團零售店之銷售、營運及行政事宜。謝先生於過往年度兼任多項職務，彼於2000年為香港鑽石總會有限公司之執行委員，由2004年7月起出任金銀貿易場之候補理監事，及於2005年度起任九龍珠石玉器金銀首飾業商會副理事長。此外，彼亦出任香港荃灣工商業聯合會副會長達10年及於2006年被選為第五屆會長，由1996年至現在出任荃灣商會有限公司理監事，於1997年獲委任為荃灣區議會轄下工商業委員會增選委員，為期10年；自2003年起出任荃灣區減罪委員會委員，於2005年至2007年期間出任荃灣促進經濟委員會副主席。謝先生由1999年至2005年連續7屆獲委任為荃灣區節日燈飾籌備委員會主席，並於2006年度出任副會長；同年，彼亦出任香港觀塘少年警訊第32屆名譽會長。於2006年7月1日，謝先生獲香港特別行政區政府頒授「行政長官社區服務獎狀」。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. LAW Tim Fuk, Paul, aged 53, joined the Group in 1996. Presently, he is a Director, Company Secretary, Qualified Accountant, and Financial Controller of the Group. He is a member of The Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Law holds a Bachelor's Degree with honours in Accountancy. He has over 15 years of accounting and auditing experience and over 15 years of experience in commerce. He is responsible for the accounting and finance of the Group.

Mr. POON Kam Chi, aged 58, joined the Group as a Branch Manager in 1994. He was a Director and Operations Director. Mr. Poon has over 38 years of experience in the jewellery retailing business in Hong Kong. He resigned on 31st December 2005.

Mr. LAU Kwok Sum, aged 64, joined the Group as a Branch Manager in 1995. Presently, he is a Director & Zone Manager (Yaumatei & Mongkok). Prior to joining the Group, Mr. Lau worked as a regional manager in a listed jewellery company in Hong Kong. Mr. Lau has more than 36 years of experience in retailing, purchasing and wholesaling of jewellery products.

Non-Executive Directors

Mr. WONG Koon Cheung, aged 73, has over 54 years of experience in retailing and manufacturing of jewellery in Hong Kong. He joined the Group in 1992.

Mr. CHAN Wai, aged 76, has over 59 years of experience in retailing and manufacturing of jewellery in Hong Kong. He joined the Group in 1992.

Mr. LEE Shu Kuan, aged 79, has over 39 years of experience in property development in Hong Kong. He joined the Group in 1991.

Miss YEUNG Po Ling, Pauline, aged 39, is the co-founder of the Group. Miss Yeung has over 18 years of experience in public relations. Miss Yeung was the winner of Miss Hong Kong and Miss International of Goodwill in 1987. Miss Yeung was also the president of the Wai Yin Club for the year 1995-1996. She received the GIA Diamonds Graduate title in 2005.

Mr. HUI King Wai, aged 56, is a solicitor practising in Hong Kong and joined the Group in 1999. He was admitted solicitor of the Supreme Court of England and Wales and of the Supreme Court of Hong Kong in 1981 and 1982 respectively.

董事及高層管理人員之履歷詳情 (續)

執行董事 (續)

羅添福先生，53歲，1996年加入本集團，現職董事、公司秘書、合資格會計師及本集團財務總監。羅先生為英國特許公認會計師公會、英國特許管理會計師公會、香港會計師公會及特許秘書及行政人員公會之會員。羅先生持有會計系榮譽學士學位，具備逾15年會計及核數經驗及逾15年商貿經驗。彼負責本集團會計及財務事宜。

潘錦池先生，58歲，於1994年出任本集團分行經理，曾任職董事兼營運總監。彼具備逾38年香港珠寶零售業經驗。彼於2005年12月31日辭任。

劉國森先生，64歲，於1995年出任本集團分行經理，現職董事兼區域經理(油麻地及旺角區)。彼於加入本集團前，曾於香港一間上市珠寶公司任職區域經理。劉先生擁有逾36年零售、採購及批發珠寶產品經驗。

非執行董事

黃冠章先生，73歲，具備逾54年香港零售及珠寶製造業經驗。彼於1992年加入本集團。

陳偉先生，76歲，具備逾59年香港零售及珠寶製造業經驗。彼於1992年加入本集團。

李樹坤先生，79歲，具備逾39年香港物業發展經驗。彼於1991年加入本集團。

楊寶玲小姐，39歲，為本集團之共同創辦人。楊小姐具備逾18年公關工作經驗。楊小姐為1987年度香港小姐冠軍及國際親善大使。楊小姐亦曾任1995至1996年度慧妍雅集主席。彼於2005年獲取GIA Diamonds Graduate銜頭。

許競威先生，56歲，香港執業律師。彼於1999年加入本集團。許先生分別於1981年及1982年獲英格蘭及威爾斯最高法院以及香港最高法院認可為執業律師。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-Executive Directors

Mr. CHIU Wai Mo, aged 56, has over 39 years of experience in general trading, property investment and management consultancy in Hong Kong and Japan. Mr. Chiu holds directorships in a number of companies in Hong Kong and Japan. He joined the Group in 1997 and is a member of both the Audit Committee and the Remuneration Committee.

Mr. HUI Chiu Chung, Stephen J.P. Aged 59, joined the Group in 1997 and is the chairman of Remuneration Committee and a member of the Audit Committee. Group Managing Director, OSK Asia Holdings Limited, was appointed to the Listing Committee on 16 May 2003. He was previously Managing Director of UOB Kay Hian (Asia) Limited. He is an Independent Non Executive Director of Lifestyle International Holdings Limited, Chun Wo Holdings Limited, New World Mobile Holdings Limited, Frasers Property (China) Limited (previously known as Vision Century Corporation Limited), Jiuzhou Development Company Limited; and a former Independent Non Executive Director of Wing Lee Holdings Limited – all of which are listed on the Exchange. Mr. Hui was appointed a Justice of the Peace in 2004 and was a member of the Election Committee for the HKSAR. He is a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference. He is an appointed member of the Securities and Futures Appeals Tribunal, a member of the Committee on Real Estate Investment Trusts and a former member of the Advisory Committee of the SFC. Mr. Hui is also a member of the Standing Committee on Company Law Reform, an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A and a vice chairman of the Committee of the Hong Kong Stockbrokers Association. From 1991 to 1996 and from 1997 to 2000 Mr. Hui was a member of the Council of the Stock Exchange of Hong Kong Limited and was a director of the Hong Kong Securities Clearing Co, Ltd.

Mr. LO Mun Lam, Raymond, aged 53, joined the Group since 2004. He was elected Chairman of the Board on 12th April 2005 and is the Chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Lo is the Chairman of a private equity firm with interest in various business sectors. He has previously served as advisor, director and financial strategist in many multidisciplinary listed and major companies. Professionally, Mr. Lo is a Fellow member and a Corporate Finance designate of the Institute of Chartered Accountants in England & Wales, a Counselor of Real Estate, USA and a Fellow member of the Royal Institute of Chartered Surveyors, UK. He is also a member of the International Bar Association and the Hotel & Catering International Management Association. Mr. Lo is currently director of three other listed companies in Hong Kong.

董事及高層管理人員之履歷詳情 (續)

獨立非執行董事

趙偉武先生，56歲，具備逾39年香港及日本一般貿易、物業投資及管理顧問工作經驗。趙先生出任多間香港及日本公司之董事。彼於1997年加入本集團，同時為審核委員會及薪酬委員會成員之一。

許照中先生，太平紳士，59歲，於1997年加入本集團，現為薪酬委員會主席及審核委員會委員，萬信金融集團有限公司集團董事總經理，於2003年5月16日獲委任為上市委員會成員。許先生曾出任大華繼顯(亞洲)有限公司董事總經理，現為聯交所上市公司利福國際集團有限公司、俊和集團有限公司、新世界移動控股有限公司、星獅地產(中國)有限公司(前稱威新集團有限公司)及九州發展有限公司的獨立非執行董事，以及曾任永利控股有限公司的獨立非執行董事。許先生於2004年獲授太平紳士名銜，曾為香港特區選舉委員會成員，現為中國人民政治協商會議珠海市委員會委員、證券及期貨事務上訴審裁處委任成員及房地產投資信託基金委員會成員，過去亦曾擔任證監會諮詢委員會成員。另外，許先生亦是公司法改革常務委員會成員、香港會計師公會調查小組A組的委任成員及香港證券經紀業協會委員會副主席。由1991年至1996年及由1997年至2000年，許先生為香港聯合交易所有限公司理事會理事及香港中央結算有限公司董事。

盧敏霖先生，53歲，於2004年加入本集團，並於2005年4月12日獲選為董事會主席，亦為審核委員會主席及薪酬委員會成員。盧先生現於一家在多個行業擁有權益之私人公司擔任主席，並曾於多家從事多種業務之大型上市公司擔任顧問、董事及財務策劃主管。在專業資格方面，盧先生為英格蘭及威爾斯特許會計師公會資深會員及企業融資專業資格，美國註冊資深地產顧問及英國皇家特許測量師資深會員，國際律師公會會員及英國酒店及膳食國際管理學會會員。盧先生現為三間上市公司之董事。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management

Mr. AU Kwok Kau, aged 57, is the co-founder and Group General Manager of the Group since 1991. He is responsible for overall administration of the Group. He has over 34 years of experience in the jewellery industry in Hong Kong.

Miss Irene CHEUNG, aged 29, is the Assistant Legal Affairs Manager of the Group. She holds a Bachelor of Arts Degree from the University of Toronto and a Law Degree from Osgoode Hall of Canada. She was admitted as solicitor and barrister in Ontario, Canada in 2003, where she practised Commercial and Family Law. She joined the Group in 2005 and is responsible for the administration and coordination of the Group's legal affairs. Miss Cheung is a member of the Law Society of Upper Canada. She is the daughter-in-law of Mr. WONG Wai Sheung, the Chief Executive of the Group.

Miss CHUNG Vai Ping, Icy, aged 36, is the Product Development Manager of the Group. She joined the Group in 1990 and is responsible for the product development of the Group. She has won the Best of Show Award with her design "Flashing" in the 2nd Hong Kong Jewellery Design Competition. She received the GIA Diamonds Graduate title in 2004.

Mr. FUNG Chi Ming, Fergus, aged 52, joined the Group in 2004 as Senior Manager in Administration and Human Resources. Mr. Fung obtained a Master's Degree in Business Administration and a Bachelor's Degree in Social Science through education in Hong Kong. Prior to joining the Group, Mr. Fung has acquired extensive experience in people, business and project management in various industries and also has substantial exposure for operations in Hong Kong and China.

Mr. LEUNG Tak Fai, aged 43, joined the Group as Internal Audit Manager since 2002. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Information Systems Audit and Control Association. Being a Certified Information Systems Auditor, he holds a Master Degree in Business Administration. He has over 13 years of internal auditing experience of retailing industry in Hong Kong.

董事及高層管理人員之履歷詳情 (續)

高級管理人員

區國球先生，57歲，本集團之共同創辦人，自1991年起出任本集團集團總經理，負責本集團整體行政運作。彼具備逾34年香港珠寶業經驗。

張雅玲小姐，29歲，本集團助理法律事務經理，張小姐為多倫多大學文學士，持有加拿大Osgoode Hall法律學位。2003年，張小姐於加拿大安大略省獲得事務律師及訟務律師資格，主要從事商業法及家庭法。張小姐於2005年加入本集團及負責統籌及協調本集團之法律事務。張小姐為Law Society of Upper Canada之會員。張小姐為本集團行政總裁黃偉常先生之媳婦。

鍾惠冰小姐，36歲，本集團產品拓展經理，於1990年加入本集團，負責本集團之產品開發事宜。鍾小姐設計的作品「煙花」曾贏取第二屆香港珠寶設計比賽大獎。彼於2004年獲取GIA Diamonds Graduate銜頭。

馮志明先生，52歲，於2004年加入本集團，現職行政及人力資源高級經理。馮先生於香港接受教育，持有工商管理碩士學位及社會科學學士學位。於加入本集團前，馮先生於不同行業累積豐富人力資源、業務及項目管理經驗。彼亦對香港及國內之公司運作具透徹了解。

梁德輝先生，43歲，於2002年加入本集團出任內部審計經理。梁先生為香港會計師公會、英國特許公認會計師公會及電腦稽核師協會會員，持有國際電腦稽核師認證及工商管理碩士學位。梁先生具備逾13年香港零售業內部審計經驗。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Miss LEUNG Wai Sheung, Garry, aged 38, is the Corporate Affairs Manager of the Group. She holds a professional Diploma in China Economy and Finance, a Bachelor's Degree in Business Administration and a Master Degree in Business Administration. She joined the Group in 1994 and is responsible for the Group's co-ordination of project development and corporate affairs. She is a member of the Youth Committee of the Federation of Hong Kong Guangdong Committee Organisations Limited.

Miss LI Wai Ki, Vickie, aged 50, is the Chief Jewellery Designer of the Group. She joined the Group in 1996 and is responsible for product design and development. Miss Li has over 30 years of experience in jewellery design. Prior to joining the Group, she had worked for a listed jewellery company in Hong Kong for 4 years. Miss Li also won several international design awards in the year of 2005 to 2006, namely:

The 4th Tahitian Pearl Trophy Asia
Parure Category: Champion
Pearl Row: 1st Prize

The 5th International South Sea Pearl Jewellery Design Competition
Bracelet Category: Merit Award

The 7th Hong Kong Jewellery Design Competition
Bracelet/Necklace Category: Merit Award

Mr. LING Hay Ming, Derek, aged 39, joined the Group in 2001 as I.T. Manager and the Project Manager of Jewellworld.com Limited, a subsidiary of the Company. He obtained his Master's Degree in Business Administration and Bachelor's Degree in Computer Engineering from Santa Clara University in California, U.S.A. Prior to joining the Group, Mr. Ling had over 9 years of business consulting and management experience in U.S.A. and Hong Kong.

董事及高層管理人員之履歷詳情 (續)

高級管理人員 (續)

梁偉霜小姐，38歲，為本集團之企業事務經理，彼持有中國財經專業文憑、工商管理學士學位及工商管理碩士學位。彼於1994年加入本集團，現負責本集團之項目發展與企業事務之統籌工作。彼為香港廣東社團總會青年委員會會員。

李慧姬小姐，50歲，本集團首席珠寶設計師，彼於1996年加入本集團，負責產品設計及發展。李小姐擁有逾30年珠寶設計經驗。加入本集團前，曾於香港一間上市珠寶公司任職4年。李小姐另於2005至2006年度獲取下列國際性設計獎項：

第四屆國際大溪地珍珠首飾設計比賽
三件套裝組別：冠軍
珍珠串組別：亞軍

第五屆國際南洋珠寶首飾設計比賽
手鐲組別：優異獎

第七屆香港珠寶設計比賽
項鍊／手鐲組別：優異獎

林曦明先生，39歲，於2001年加入本集團，為本公司之資訊科技經理及附屬公司珠寶世界(香港)有限公司之項目經理。彼畢業於美國加州聖克拉拉大學，獲頒工商管理碩士學位及電腦工程學士學位。於加入本集團前，林先生在美國及香港累積逾9年商業顧問及管理經驗。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Mr. TSUI Kin Wah, Tommy, aged 48, is the Chief Gemologist of the Group. Mr. Tsui joined the Group in 1995 and has over 16 years of experience in purchasing and authentication of diamonds. Mr. Tsui is an Executive Committee member of the Hong Kong Gemological Association and a fellow member of Gemmological Association of Great Britain. Besides, Mr. Tsui is an authorized representative and approved signatories under the Hong Kong Laboratory Accreditation Scheme.

Mr. WONG Ho Lung, Danny, aged 29, is the Operations Manager of the Group. He joined the Group in 2002 and is responsible for the execution and implementation of the corporate decisions and directions of the Group. With his experiences and background overseas, Mr. Wong was chiefly involved in the set up and opening of the Group's North American branches in Canada and the USA. He was also primarily responsible for the recent rebranding of the Group's new corporate image, and the redesign of the Group's retail shops. Mr. Wong is also involved in integration and software development of the Group. He is the son of Mr. WONG Wai Sheung, the Chief Executive of the Group.

Mr. WONG Wai Tong, aged 45, joined the Group in 1998. Presently, he is the Business Director. He has over 29 years of manufacturing and purchasing experience in jewellery and gold industry. He is responsible for the purchasing of diamonds, gems and gold products of the Group and the operation of the Company. Mr. Wong is the brother of Mr. WONG Wai Sheung, Chief Executive of the Group.

Mr. YEUNG Wai Hing, aged 41, joined the Group as the Finance & Accounting Manager in 2002. Mr. Yeung is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, he has over 17 years of finance and accounting experience at a variety of business organizations including listed groups.

董事及高層管理人員之履歷詳情 (續)

高級管理人員(續)

徐建華先生，48歲，為本集團首席寶石鑑定師。徐先生於1995年加入本集團，擁有逾16年採購及鑑定寶石經驗。徐先生為香港寶石學協會理事及英國寶石學協會院士。此外，徐先生為香港實驗所認可計劃的委任代表及核准簽署人。

黃浩龍先生，29歲，本集團營運經理，於2002年加入本集團，負責執行及落實本集團營運決策及方向。黃先生以其豐富之海外經驗及背景，主要負責開設本集團位於加拿大及美國之北美洲分行，同時亦是近期本集團塑造新企業形象及重新設計本集團零售店之主要負責人。黃先生亦參與本集團之整合及軟件開發。黃先生為本集團行政總裁黃偉常先生之兒子。

黃偉棠先生，45歲，於1998年加入本集團，現職業務總監，具備逾29年珠寶黃金業製造及採購經驗。黃先生負責監管本集團採購鑽石、寶石及金飾產品以及公司營運之事宜，黃先生為本集團行政總裁黃偉常先生之胞弟。

楊位慶先生，41歲，於2002年加入本集團出任財務及會計經理一職。楊先生為英國特許公認會計師公會及香港會計師公會會員，具備逾17年之商業機構財務及會計經驗，當中包括上市集團。

REPORT OF THE DIRECTORS 董事會報告

RETIREMENT SCHEME

Details of the retirement scheme operated by the Group are set out in note 14 to the financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the Directors' service contracts requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments (other than statutory compensation). Pursuant to the Bye-laws, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company save any Director holding office as Chairman or Managing Director.

The fees and other emoluments of Directors are determined by reference to industry norm and market conditions, with discretionary bonus on performance awarded to Executive Directors.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 33 to the financial statements, no other contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding company was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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.

CONNECTED TRANSACTIONS

The related party transaction entered into by the Group during the year ended 31st March 2006 as disclosed in note 33(b) & (c) to the financial statements does not constitute a connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The related party transactions, which also constitute connected transaction under the Listing Rules are set out in note 33(a) to the financial statements and disclosed in accordance with the Chapter 14A of the Listing Rules as follows:

The connected transaction in respect of the tenancy agreement entered into with Mr. WONG Wai Sheung's father, for the lease of a retail shop of the Group was, in the opinion of the directors, entered into on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned.

退休金計劃

本集團所推行退休金計劃之詳情載於財務報表附註14。

董事服務合約

概無董事服務合約規定本公司須發出超過一年通知或支付或作出其他相當於超過一年酬金之賠償或其他付款(法定賠償除外)。根據公司細則,除出任主席或董事總經理之任何董事外,三分之一董事須於本公司每屆股東週年大會輪值告退。

董事袍金及其他酬金乃參考業內慣例及市況釐定,執行董事另可按表現獲發酌情花紅。

董事之合約權益

除財務報表附註33所披露外,於年結日或年內任何時間內,本公司、其附屬公司或其控股公司概無訂立任何其他與本集團業務有關而本公司董事直接或間接擁有重大權益之重大合約。

管理合約

本年度內,本公司概無訂立或訂有任何與本公司整體業務或任何主要部分管理及行政有關之合約。

關連交易

財務報表附註33(b)及(c)所披露本集團於截至2006年3月31日止年度訂立之有關連人士交易並不構成聯交所證券上市規則(「上市規則」)項下之關連交易。

財務報表附註33(a)所載有關連人士交易亦構成上市規則項下的關連交易,並根據上市規則第14A章披露如下:

本集團就租賃一間零售店舖而與黃偉常先生之父親訂立之租賃協議之關連交易,乃按董事認為對本公司股東而言屬公平合理之一般商業條款訂立。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the directors' benefits from rights to acquire shares or debentures are set out in the following section regarding the Company's Share Option Scheme.

Apart from the above, at no time during the year was the Company, its subsidiaries or its holding company a party to any arrangement 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.

SHARE OPTION SCHEME

On 17th April 1997, a share option scheme ("the Scheme") was approved at a Special General Meeting of the Company under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and any of its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A summary of the Scheme is as follows:

(1) Purpose

The purpose of the Scheme is to provide an employee incentive compensation plan that is based on corporate performance and is tied to the Company's share value with the goal of increasing shareholders' wealth.

(2) Eligible persons

Any employees, including any executive directors, of the Company and any of its subsidiaries.

(3) Number of shares available for issue

At 31st March 2006, the maximum number of shares available for issue is 13,657,000, representing approximately 2.8% of the issued share capital of the Company as at 31st March 2006.

(4) Maximum entitlement of each eligible person

No option shall be granted to an eligible person which would cause, at the date of grant, the aggregate number of shares over which that options is granted, together with the aggregate number of shares the subject of any other options granted to that eligible person under the scheme (whether such options have or have not been exercised at the date of grant) to exceed 25% of the aggregate number of shares already issued and issuable under the scheme.

董事藉收購股份或債券權利而獲之利益

董事藉收購股份或債券權利而獲得利益之詳情載於下文有關本公司購股權計劃一節。

除以上所述者外，本公司、其附屬公司或其控股公司於年內任何時間概無訂立任何安排，使本公司董事能藉收購本公司或任何其他法人團體之股份或債券而獲得利益。

購股權計劃

1997年4月17日，本公司股東特別大會批准一項購股權計劃（「該計劃」），據此，董事可酌情授予本公司及其任何附屬公司之僱員（包括任何執行董事）購股權，可在該計劃條款及條件之規限下認購本公司股份。該計劃概述如下：

(1) 目的

該計劃旨在提供一個以公司表現為依據之僱員獎賞計劃，該計劃與本公司股份價值息息相關，故可達到增加股東財富之目標。

(2) 合資格人士

本公司及其任何附屬公司任何僱員，包括任何執行董事。

(3) 可發行股份最高數目

於2006年3月31日可供發行之股份最高數目為13,657,000股，相當於本公司於2006年3月31日已發行股本約2.8%。

(4) 每名合資格人士之最高配額

在授出購股權當天，向合資格人士授出之購股權，連同該計劃授予該名合資格人士之任何其他購股權（不論該等購股權於授出日期已行使與否）所涉及之股份總數，不得超過該計劃已發行及可予發行之股份總數之25%。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (Continued)

(5) *Time of exercise of option*

An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on the date of grant of an option and expiring at 5:01 p.m. on the business day preceding the 10th anniversary of the date of grant.

(6) *Exercise price*

The option price per share payable on the exercise of an option:

- (a) granted before 1st September 2001 was determined by the directors as being in no event less than the higher of:
 - (i) the nominal value of the shares; and
 - (ii) 80% of the average of the closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer of an option.
- (b) granted on or after 1st September 2001 is determined by the directors, in compliance with the requirements of Chapter 17 of the Listing Rules, as being at least the higher of:
 - (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
 - (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant.

購股權計劃 (續)

(5) *行使購股權之時間*

購股權可由購股權授出日期起至授出日期十週年日前一個營業日下午5時1分止期間任何時間按照該計劃之條款行使。

(6) *行使價*

行使購股權時應付之每股購股權價格：

- (a) 於2001年9月1日前授出之購股權，由董事釐定，惟在任何情況均不得低於以下兩者之較高者：
 - (i) 股份之面值；及
 - (ii) 緊接購股權授出日期前5個營業日，在聯交所每日報價表所列股份之平均收市價之80%。
- (b) 於2001年9月1日或之後授出之購股權，由董事釐定，並須符合上市規則第17章之規定，至少是以下兩者之較高者：
 - (i) 授出日期（須為營業日）聯交所每日報價表所列股份之收市價；及
 - (ii) 緊接授出日期前5個營業日，聯交所每日報價表所列股份之平均收市價。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (Continued)

(7) Remaining life of the Scheme

The Scheme will remain in force until 16th April 2007.

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

	Options held at 1st April 2005 於2005年 4年1日 合資格人士 持有之購股權
Eligible persons	

Executive directors

執行董事

Mr. WONG Wai Sheung 黃偉常	7,064,000
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All the options above were granted on 14th June 2000 and are exercisable at any time during the period from 14th June 2000 to 13th June 2010 at an exercise price of HK\$0.34 per share.

The weighted average closing prices of the shares immediately before the dates on which options were exercised were HK\$1.80 in relation to the options exercised by an executive director.

During the year, no options were granted, cancelled or lapsed. The share options granted are not recognised in the financial statements until they are exercised.

Apart from the share option scheme mentioned above, none of the directors or chief executives (including their spouse and children under 18 years of age) had been granted, or exercised, any rights to subscribe for shares in the Company or any other body corporate.

購股權計劃 (續)

(7) 該計劃之餘下年期

該計劃將仍然生效，直至2007年4月16日。

下表披露本公司購股權於年內之變動：

Options exercised during the year 年內行使 之購股權	Options held at 31st March 2006 於2006年 3月31日 持有之購股權	Exercise date 行使日期
2,500,000	4,564,000	23rd September 2005 2005年9月23日

以上所有購股權於2000年6月14日授出，可於2000年6月14日至2010年6月13日期間任何時間按每股0.34港元之行使價行使。

對於執行董事行使之購股權，股份於緊接購股權行使日期前之加權平均收市價為1.80港元。

年內，並無購股權授出、註銷或失效。授出之購股權於行使時方會在財務報表內確認。

除以上所述購股權計劃外，並無任何董事或行政總裁(包括彼等之配偶及未滿18歲之子女)獲授予或行使可認購本公司或其任何法人團體股份之權利。

REPORT OF THE DIRECTORS 董事會報告

MAJOR CUSTOMERS

During the year under review, the percentages of sales for the year attributable to the Group's major customers are as follows:

		2006	2005
The largest customers	最大客戶	20.9%	15.3%
Five largest customers combined	五名最大客戶合計	34.6%	25.5%

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

MAJOR SUPPLIERS

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

		2006	2005
The largest supplier	最大供應商	25%	19%
Five largest suppliers combined	五名最大供應商合計	37%	36%

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

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

At 31st March 2006, the Group did not have any bank loans, overdrafts or other borrowings (2005: HK\$21,420,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws of Bermuda.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

Throughout the year, the Company was in compliance with the Code on Corporate Governance Practices as set out in the Listing Rules except for certain deviations as described in the Corporate Governance Report set out on pages 20 to 34.

主要客戶

年內，本集團主要客戶所佔銷貨額之百分比如下：

	2006	2005
最大客戶	20.9%	15.3%
五名最大客戶合計	34.6%	25.5%

各董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司5%以上股本者)概無擁有上述主要客戶之權益。

主要供應商

年內，本集團主要供應商所佔購貨額之百分比如下：

	2006	2005
最大供應商	25%	19%
五名最大供應商合計	37%	36%

各董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司5%以上股本者)概無擁有上述主要供應商之權益。

銀行貸款、透支及其他借貸

於2006年3月31日，本集團並無任何銀行貸款、透支或其他借款(2005年：21,420,000港元)。

優先購買權

本公司之公司細則並無載列有關優先購買權之規定，惟百慕達法例對該等權利並無限制。

遵守上市規則之企業管治常規守則

本年內，本公司一直遵照適用於上市規則所載列企業管治常規守則，惟第20至34頁企業管治報告所載年內若干期間除外。

REPORT OF THE DIRECTORS 董事會報告

AUDIT COMMITTEE

In compliance with paragraph 14 of the Code of Best Practice (applicable before 1st January 2005), the Board has established an audit committee comprising all independent non-executive directors, to monitor the accounting and financial reporting practices and internal control systems of the Company. Since 1st April 2005, the audit committee has held several meetings to consider matters including the 2005 annual report of the Company, internal controls, the unaudited interim condensed consolidated financial information for the six months ended 30th September 2005, the 2006 annual report of the Company and the Group's IT control environment.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 21st August 2006 to 24th August 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 18th August 2006.

AMENDMENTS TO BYE-LAWS

In order to align the Company's Bye-laws with certain amendments to the Listing Rules, the Directors propose that the Bye-laws be amended in the manner as set out in the Proposed Special Resolutions. The Circular containing, amongst other things, information on the proposed amendments to the Bye-laws, will be sent to Shareholders together with this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of its directors as at 22nd July 2006, being the latest practicable date prior to the issue of the annual report, the public float of shares in the Company has remained above the minimum percentage required by The Stock Exchange throughout the year.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

LO Mun Lam, Raymond
Chairman

Hong Kong, 24th August 2006

審核委員會

董事會已成立一個由所有獨立非執行董事組成之審核委員會，以符合(適用於2005年1月1日前)最佳應用守則第14段之規定。審核委員會之主要職責包括監督本公司之會計及財務匯報程序和內部監控。自2005年4月1日起以來，審核委員會召開多個會議以省覽包括本公司2005年度年報、內部監控，審閱有關截至2005年9月30日止六個月之未經審核中期簡明綜合財務資料、本公司2006年度年報及本集團之資訊科技控制之環境等事宜。

暫停辦理股份過戶登記

本公司將由2006年8月21日至2006年8月24日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合資格享有末期股息，所有過戶文件連同有關股票最遲須於2006年8月18日下午4時正送達本公司在香港之股份過戶登記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46樓。

修訂公司細則

為使本公司的公司細則與上市規則若干修訂一致，董事建議公司細則按建議特別決議案所載作出修訂。載有(其中包括)修訂公司細則建議資料的通函將連同本年報寄發予股東。

充裕的公眾持股量

根據本公司獲得之公開資料及據董事所知，於本年報刊發前的最後實際可行日期2006年7月22日，本公司股份之公眾持股量全年維持於聯交所要求的最低百分比之上。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意膺聘連任。

承董事會命

盧敏霖
主席

香港，2006年8月24日