

REPORT OF THE DIRECTORS 董事會報告

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries consisted of the manufacture and marketing of clocks and lighting products, the trading of metals and the provision of electroplating services. There were no significant changes in the nature of the Group's activities during the year.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 138.

The directors do not recommend the payment of any dividend in respect of the year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 139 to 140 of the annual report. This summary does not form part of the audited financial statements.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 14 and 15 to the financial statements.

董事茲提呈本公司及本集團截至二零零六年三月三十一日止年度之董事會報告及經審核財務報告。

主要業務

本公司主要業務為投資控股。本公司附屬公司之主要業務包括製造並市場銷售時鐘與照明產品、金屬貿易及提供電鍍服務。本集團之業務性質在年內沒有重大改變。

業績及股息

本集團截至二零零六年三月三十一日止之業績及本公司與本集團於該日之業務狀況載於第39至138頁之財務報告內。

董事不建議派發任何該年度股息。

五年財務摘要

本集團過去五個財政年度公佈之業績及資產、負債及少數股東權益概要(節錄自經審核財務報告)載於年報第139頁至第140頁。此概要並非構成經審核財務報告之部份。

投資物業及物業、廠房及設備

本集團於年內之投資物業及物業、廠房及設備之變動詳情載於財務報告附註14及15。

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SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options are set out in note 29 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the bye-laws of the Company or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2006.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 37(b) to the financial statement and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2006, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$40,481,000 may be distributed in the form of fully paid bonus shares.

股本及購股權

本公司之股本變動及購股權詳情載於財務報告附註29。

優先購股權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。

購入、出售或贖回本公司上市股份

本公司或其附屬公司於本年內概無購入、出售或贖回本公司之任何股份。

儲備

本公司及本集團於截至二零零六年三月三十一日止年度之儲備變動詳情分別載於財務報告附註37(b)及綜合權益變動表。

可供分派儲備

於二零零六年三月三十一日，本公司沒有可供之現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘為128,013,000港元，於若干情形下可供分派。此外，本公司之股份溢價結餘為40,481,000港元，可作已繳足紅股形式分派。

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MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 44.3% of the total sales for the year and sales to the largest customer included therein amounted to 14.2%. Purchases from the Group's five largest suppliers accounted for 20.2% of the total purchases for the year and purchases from the largest supplier included therein amounted to 9.8%.

As far as the directors are aware, neither the directors, their associates, nor any 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 five largest customers and suppliers.

DIRECTORS

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

Executive directors:

Mr. LIANG Jin You	
Ms. LI Kwo Yuk	
Mr. LEUNG Kin Yau	
Mr. OU Jian Sheng	
Mr. DENG Ju Neng	
Mr. LIN Dong Hong	(resigned on 15 March, 2006)
Mr. CHEN Vee Yong, Frederick	(appointed on 15 March, 2006)
Mr. LEE Sang Yoon	(appointed on 27 June, 2006)

Independent non-executive directors:

Mr. LO Ming Chi, Charles
Mr. LO Wah Wai
Mr. ORR, Joseph Wai Shing

主要客戶及供應商

於回顧年度內，本集團五大客戶之銷售佔全年總銷售額44.3%，及最大客戶佔之銷售包括在內佔14.2%。本集團五大供應商佔年內之總採購額20.2%，及最大供應商之採購額包括在內佔9.8%。

就董事會所知，擁有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東概無持有本集團五大客戶及供應商之任何實益。

董事

本公司董事在本年度及至本報告日期為如下：

執行董事：

梁金友先生	
李戈玉女士	
梁健友先生	
歐健生先生	
鄧巨能先生	
林東宏先生	(於二零零六年三月十五日辭任)
陳維雄先生	(於二零零六年三月十五日獲委任)
李相潤先生	(於二零零六年六月二十七日獲委任)

獨立非執行董事：

勞明智先生
盧華威先生
柯偉聲先生

DIRECTORS (CONTINUED)

In accordance with bye-law 86(2) of the Company's Bye-Laws, Mr. Chen Vee Yong, Frederick, Mr. Lee Sang Yoon shall hold office only until the forthcoming annual general meeting of the Company and shall be eligible for re-election at the forthcoming annual general meeting. In accordance with bye-law 87 of the Company's Bye-Laws, Mr. Liang Jin You, Mr. Ou Jian Sheng and Mr. Lo Ming Chi, Charles will retire by rotation at the forthcoming annual general meeting.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 21 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the year.

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2006, the interests of the directors of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

董事 (續)

按照本公司之公司細則第86(2)條規定陳維雄先生、李相潤先生將任職至即將舉行之股東週年大會及將符合資格並願意重選連任，按照本公司之細則第87條規定，梁金友先生、歐健生先生及勞明智先生將於即將舉行之股東週年大會上輪席退任，及符合資格並願意重選連任。

董事及高級管理人員簡歷

本公司董事及本集團高級管理人員簡歷詳情載於年報第16至21頁。

董事服務合約

本公司並無與擬於即將舉行之股東週年大會上膺選連任之董事訂立任何不可於一年內由本公司無償終止(法定補償除外)之合約。

董事合約權益

各董事在本公司或其任何附屬公司於本年度內任何時間，概無參與訂立與本集團業務有關連之重大合約，亦無擁有任何直接或間接之實質利益。

董事股份權益

於二零零六年三月三十一日，本公司根據證券及期貨條例(「證券及期貨條例」)第352條而設立之名冊所記錄，董事於本公司或其他相聯法團(具有證券及期貨條例第XV部的涵義)之股份及購股權權益；或根據上市公司董事證券交易的標準守則而須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

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DIRECTORS' INTERESTS IN SHARES
(CONTINUED)

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name	Capacity	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
姓名	身份		
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note 1) 控制公司持有(附註1)	119,184,300	45.41%

Notes:

- 119,184,300 shares are owned by Golden Glory Group Limited ("GG"), a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

Save as disclosed above, none of the other directors, chief executives or their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2006.

董事股份權益 (續)

好倉

本公司每股面值0.10港元之普通股

Name	Capacity	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
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附註：

- 119,184,300股股份由Golden Glory Group Limited (「GG」) 擁有。GG 為於英屬處女群島註冊成立之公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

除上文披露外，於二零零六年三月三十一日，概無其他董事、主要行政人員或彼等之聯繫人士擁有本公司或其相聯法團(具有證券及期貨條例第XV部的涵義)的任何股份、相關股份或債券的任何權益或淡倉。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as under note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 29 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.10 each of the Company

董事購買股份或債券權利

除財務報告附註29所披露外，於本年內任何時間，並無任何董事、彼等之配偶或十八歲以下子女有任何認購本公司股份或債券，或已行使該等權利而獲益；或本公司及其附屬公司概無任何安排，以致本公司董事可藉購入其他法人團體之股份或債務而獲益。

購股權計劃

有關本公司之購股權計劃詳細披露載於財務報告附註29。

主要股東

於二零零六年三月三十一日，本公司根據證券及期貨條例第336條而設立之主要股東名冊顯示，除上文披露有關若干董事及主要行政人員之權益外，下列股東向本公司知會於本公司已發行股本之有關權益。

好倉

本公司每股面值0.10港元之普通股

Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Golden Glory Group Limited	Beneficial owner 實益擁有人	119,184,300	45.41%

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SUBSTANTIAL SHAREHOLDERS

(CONTINUED)

Long positions (Continued)

主要股東 (續)

好倉 (續)

Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東	身份	所持已發行普通股數目	佔本公司已發行股本百分比
General Line International (Holdings) Limited 廣橋國際(控股)有限公司	Held by controlled corporation (Note) 控制公司持有 (附註)	119,184,300	45.41%
Mr. LI Feng Saio 李豐韶先生	Beneficial owner 實益擁有人	13,941,600	5.31%

Note: 119,184,300 shares are owned by GG, a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

附註：119,184,300股股份由GG擁有。GG為於英屬處女群島註冊成立之有限公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 31 March 2006.

除上文披露外，本公司概無獲悉任何於二零零六年三月三十一日本公司已發行股本其他權益或淡倉。

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DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

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 (the "Code") as set out in Appendix 14 of the Listing Rules, save as the deviations disclosed in the Corporate Governance Report as set out in pages 22 to 27.

PUBLIC FLOAT

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

董事在競爭業務之權益

於年內及截至本報告之日期，根據上市規則，董事並無在一項業務中不論直接或間接佔有權益，而該項業務跟本集團本身業務相互競爭。

企業管治

董事認為，除載於第22頁至第27頁之企業管治報告外，本公司於截至二零零六年三月三十一日止年度內已遵守上市規則附錄十四之最佳應用守則（「守則」）。

公眾持股量

按本公司之公開資料及就本公司董事會所知，於本報告日期，本公司已應上市規則要求有超過25%之已發行股本由公眾持有。

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AUDITORS

Messrs KLL Associates CPA Limited ("KLL") had been the auditors of the Company for the years ended 31 March 2004 and 2005. On 21 April 2006, the Company announced that KLL has resigned as auditors of the Company with effect from 23 March 2006 as to the merger of their practice with BDO McCabe Lo Limited. Following the resignation of KLL, the special general meeting of the Company has passed an ordinary resolution to appoint ShineWing (HK) CPA Limited ("ShineWing") as auditors of the Company to fill the vacancy and to hold office until the conclusion of the next annual general meeting. In this connection, a resolution for the re-appointment of ShineWing as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company. Save as aforesaid, the Company has not changed its auditors in the proceeding three years.

On Behalf of the Board

LIANG Jin You
Chairman

Hong Kong, 25 July 2006

核數師

華融會計師事務所有限公司(「華融」)於截至二零零四年及二零零五年三月三十一日止年度為本公司之核數師。本公司於二零零五年四月二十一日宣佈，華融因業務與德豪嘉信會計師事務所有限公司合併而辭任本公司核數師，於二零零六年三月二十三日生效。華融辭任後，本公司於股東特別大會上通過一項普通決議案，委任信永中和(香港)會計師事務所有限公司(「信永中和」)為本公司核數師以填補空缺，並留任至下屆股東週年大會為止。就此，本公司將於應屆股東週年大會上提呈一項決議案，以續聘信永中和為本公司之核數師。除上述者外，本公司於前三年並無更改其核數師。

代表董事會

梁金友
主席

香港，二零零六年七月二十五日