

The directors present their report and the audited financial statements of the Company and of 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 principal subsidiaries consisted of the manufacture and trading of plastic products, including PVC films. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS

The Group's profit for the year ended 31 March 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 42 to 140.

董事會謹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。主要附屬公司之主要業務包括塑膠產品之製造及貿易，包括膠布。本集團年內之主要業務性質並無重大改變。

業績

本集團截至二零零六年三月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載於財務報表第42頁至第140頁。

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate. This summary does not form a part of the audited financial statements.

Results

財務資料概要

以下為過去五個財政年度本集團已公佈業績及資產、負債及少數股東權益之概要，該等資料摘錄自經審核財務報表，並已適當地重列／重新分類。此概要並不構成經審核財務報表之一部份。

業績

		Year ended 31 March 截至三月三十一日止年度				
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 (Restated) 二零零五年 千港元 (重列)	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)	2003 HK\$'000 (Restated) 二零零三年 千港元 (重列)	2002 HK\$'000 (Restated) 二零零二年 千港元 (重列)
CONTINUING OPERATIONS	持續經營業務					
REVENUE	收益	282,886	292,020	240,754	266,107	220,139
Profit/(loss) before tax	除稅前溢利／ (虧損)	(1,603)	(15,518)	(7,969)	4,234	(88,369)
Tax	稅項	2,264	(105)	2,440	(248)	—
Profit/(loss) for the year from continuing operations	年度持續經營 業務之溢利／ (虧損)	661	(15,623)	(5,529)	3,986	(88,369)
DISCONTINUED OPERATION	終止經營業務					
Loss for the year from a discontinued operation	年度一項終止 經營業務之虧損	—	(12,620)	(3,782)	(3,874)	(8,071)
Profit/(loss) for the year	年度溢利／(虧損)	661	(28,243)	(9,311)	112	(96,440)
Attributable to:	應佔：					
Equity holders of the Company	本公司權益 持有人	599	(28,133)	(9,354)	104	(96,427)
Minority interests	少數股東權益	62	(110)	43	8	(13)
		661	(28,243)	(9,311)	112	(96,440)

SUMMARY FINANCIAL INFORMATION

(Continued)

財務資料概要 (續)

Assets, Liabilities and Minority Interests

資產、負債及少數股東權益

		31 March 三月三十一日				
		2006 HK\$'000	2005 HK\$'000 (Restated)	2004 HK\$'000 (Restated)	2003 HK\$'000 (Restated)	2002 HK\$'000 (Restated)
		二零零六年 千港元	二零零五年 千港元 (重列)	二零零四年 千港元 (重列)	二零零三年 千港元 (重列)	二零零二年 千港元 (重列)
Property, plant and equipment	物業、廠房及設備	63,350	75,342	119,434	138,468	160,887
Prepaid land lease payments	預付土地租賃款項	4,082	4,236	9,000	9,250	9,500
Investment properties	投資物業	-	-	-	-	2,180
Interests in jointly-controlled entities	佔共同控制 企業權益	4,002	8,491	15,272	15,112	10,848
Long term receivables/ long term investments	長期應收賬款/ 長期投資	2,698	2,866	3,150	3,150	3,150
Prepaid rentals	預付租金	2,098	4,254	6,410	8,606	10,849
Current assets	流動資產	89,971	88,926	91,687	97,498	85,903
Total assets	總資產	166,201	184,115	244,953	272,084	283,317
Current liabilities	流動負債	(87,387)	(96,231)	(118,316)	(132,203)	(311,980)
Long term portion of interest-bearing bank and other borrowings	計息銀行及其他 借貸之長期部份	(12,754)	(31,084)	(70,934)	(75,433)	(28,996)
Long term portion of loan from a shareholder	欠一名股東貸款之 長期部份	-	(22,500)	-	-	-
Long term portion of finance lease payables	應付融資租約之 長期部份	-	-	(1,345)	(2,694)	(3,683)
Convertible bonds	可換股債券	-	(40,692)	(72,865)	(70,259)	-
Total liabilities	負債總額	(100,141)	(190,507)	(263,460)	(280,589)	(344,659)
Minority interests	少數股東權益	(4,562)	(4,431)	(11,984)	(13,216)	(14,505)
		61,498	(10,823)	(30,491)	(21,721)	(75,847)

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL, SHARE OPTION SCHEME AND CONVERTIBLE BONDS

Details of the movements in the share capital, share option scheme and convertible bonds of the Company during the year, together with the reasons therefor, are set out in notes 31, 32 and 30 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 33(b) to the financial statements 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 Bermuda Companies Act 1981, the Company's contributed surplus of HK\$159,393,000 is currently not available for distribution. The Company's share premium account in the amount of HK\$6,892,000 may be distributed in the form of fully paid bonus shares.

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註14。

股本、購股權計劃及可換股債券

本公司年內之股本、購股權計劃及可換股債券變動詳情連同其原因，分別載於財務報表附註31、32及30。

優先購買權

本公司之章程細則或百慕達法例均無條文規定本公司須按持量比例向本公司現有股東發行新股之優先購買權。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司概無於年內購買、贖回或出售任何本公司上市證券。

儲備

本公司及本集團於本年內之儲備變動詳情分別載於財務報表附註33(b)及綜合權益變動表。

可分派儲備

於二零零六年三月三十一日，本公司並無可供現金分派及／或實物分派之保留溢利。根據一九八一年百慕達公司法（經修訂），本公司之實繳盈餘159,393,000港元現時並不可供分派，本公司之股份溢價賬6,892,000港元可按繳足紅股之形式作分派。

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 58% (2005: 47%) of the total sales for the year and sales to the largest customer included therein amounted to 31% (2005: 21%). Purchases from the Group's five largest suppliers accounted for 67% (2005: 37%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 30% (2005: 17%).

None of the directors of the Company or any of their associates or 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 or suppliers during the year.

DIRECTORS

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

Executive directors:

Tang Kuan Chien	
Cheung Ming Leung Denver	
Tang Wei Lun	
Lam Chi Yin Henry	(appointed on 5 January 2006)
Andy Hsiao-An Yuan	(appointed on 5 January 2006)
Chang Bin Lin	(resigned on 5 January 2006)
Yang Ting	(resigned on 29 August 2005)

Independent non-executive directors:

Hung Shean-I
Wong Nai Ping
Au Kwok Yee Benjamin

主要客戶及主要供應商

於回顧年度內，向本集團五大客戶作出之銷售額佔本年度銷售總額58%（二零零五年：47%），其中向最大客戶作出之銷售額則佔31%（二零零五年：21%）。本集團向五大供應商購貨之採購額佔本年度採購總額67%（二零零五年：37%），其中向最大供應商購貨之採購額則佔30%（二零零五年：17%）。

年內，本公司各董事或彼等之任何聯繫人士或任何就董事所知擁有本公司已發行股本5%以上之股東概無於本集團五大客戶或五大供應商中擁有任何實益權益。

董事

本公司本年度及截至本報告刊發日期之董事載列如下：

執行董事：

唐貫健	
張明良	
唐偉倫	
林智然	(於二零零六年一月五日獲委任)
Andy Hsiao-An Yuan	(於二零零六年一月五日獲委任)
張炳林	(於二零零六年一月五日辭任)
楊鼎	(於二零零五年八月二十九日辭任)

獨立非執行董事：

洪顯一
黃乃平
歐國義

DIRECTORS (Continued)

In accordance with clauses 86(2) and 87 of the Company's bye-laws, Mr Tang Kuan Chien, Mr Wong Nai Ping, Mr Andy Hsiao-An Yuan and Mr Lam Chi Yin Henry will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Hung Shean-I, Mr. Wong Nai Ping and Mr. Au Kwok Yee Benjamin, and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 18 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 or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings with reference to the recommendation of the Group's remuneration committee. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事 (續)

按照本公司章程細則第86(2)及87條，唐貫健先生、黃乃平先生、Andy Hsiao-Au Yuan先生及林智然先生於應屆股東週年大會上依章告退，惟彼等均願膺選連任。

本公司已取得洪顯一先生、黃乃平先生及歐國義先生之年度獨立性確認書，於本報告刊發日期，彼等一直被視為獨立人士。

董事及高級管理人員簡介

本公司董事及本集團高級管理人員簡介載於年報第14頁至第18頁。

董事之服務合約

在即將舉行之股東週年大會上獲提名連任之董事概無與本公司及任何其附屬公司訂立任何不可由本公司於一年內終止而毋須作出補償（法定賠償除外）之服務合約。

董事酬金

董事袍金須於週年大會上提交股東批准，並參照本集團薪酬委員會之建議。其他薪酬乃由本公司董事會參照董事工作、職責及本集團之表現及業績而釐定。

董事於合約中之權益

年內，各董事於本公司或其任何附屬公司所訂立對本集團業務有重大影響之合約中概無重大權益。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2006, the interests of the directors in the share capital 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 required to be kept by the Company pursuant to Section 352 of the SFO, or as 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 Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事於股份、相關股份及債券之權益及短倉

於二零零六年三月三十一日，誠如本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊記錄，或根據上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」），董事於本公司或其聯營公司（定義見證券及期貨條例第XV部）股本之權益如下：

於本公司普通股之長倉：

Number of shares held, capacity and nature of interest 持有股份數目、身份及權益性質

Name of director		Directly beneficially owned	Through controlled corporation	Total	Percentage of the Company's issued share capital
董事姓名		直接實益擁有	透過控制公司	合計	佔本公司已發行股本百分比
Tang Kuan Chien	唐貫健	18,014,000	788,135,092 [#]	806,149,092	15.67
Tang Wei Lun	唐偉倫	30,000,000	–	30,000,000	0.58
Wong Nai Ping	黃乃平	5,182,000	–	5,182,000	0.10
Cheung Ming Leung Denver	張明良	84,000,000	–	84,000,000	1.63
Hung Shean-I	洪顯一	6,000,000	–	6,000,000	0.12
Andy Hsiao-An Yuan	Andy Hsiao-An Yuan	–	1,052,073,520 ^{##}	1,052,073,520	20.45

[#] The corporate interest shares are held as to 265,965,000 by Bestway Development Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Tang Kuan Chien, and as to 522,170,092 shares by Best Online Limited, a company incorporated in the British Virgin Islands and wholly-owned by Ms. Wang Ya Chin, the spouse of Mr. Tang Kuan Chien.

[#] 公司權益股份乃由 Bestway Development Limited（於英屬處女群島註冊成立之公司，由唐貫健先生全資擁有）持有 265,965,000 股，其中 522,170,092 股股份由 Best Online Limited（於英屬處女群島註冊成立之公司，由唐先生之配偶王雅清女士全資擁有）持有。

^{##} The corporate interest shares are held as to 1,052,073,520 by Wealthguard Investment Limited ("Wealthguard"), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Andy Hsiao-An Yuan. During the year, Mr. Yang Ting, a former director of the Company, sold his 100% interests in Wealthguard to Mr. Andy Hsiao-An Yuan.

^{##} 公司權益股份乃由 Wealthguard Investment Limited（「Wealthguard」）（於英屬處女群島註冊成立之公司，由 Andy Hsiao-An Yuan 先生全資擁有）持有 1,052,073,520 股。年內，本公司前董事楊鼎先生出售其 Wealthguard 之 100% 權益予 Andy Hsiao-An Yuan 先生。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

In addition to the above, Mr. Tang Kuan Chien has non-beneficial personal equity interests in certain subsidiaries held in trust for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 31 March 2006, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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 directors or their respective spouse or minor children, 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.

董事於股份、相關股份及債券之權益及短倉 (續)

除上述者外，唐貫健先生於若干附屬公司擁有非實益個人股本權益，為本公司利益以信託形式持有，僅為遵守最少公司股東規定。

除上文所披露者外，於二零零六年三月三十一日，概無董事於本公司或其任何聯營公司之股份、相關股份或債券中擁有根據證券及期貨條例第352條須知會本公司及聯交所以及根據標準守則而記錄之權益或短倉。

董事購買股份或債券之權利

於年內任何時間概無向任何董事或彼等各自之配偶或未滿十八歲之子女藉購入本公司之股份或債券而獲益，而彼等亦概無行使任何有關權利，本公司或其任何附屬公司亦概無訂立任何安排，使董事能於任何其他法團取得有關權利。

SUBSTANTIAL SHAREHOLDERS

At 31 March 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name		Notes	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
姓名		附註	所持普通股數目	
Ms. Wang Ya Chin	王雅清女士	(a)	806,149,092	15.67%
Best Online Limited	Best Online Limited	(b)	522,170,092	10.15%
Bestway Development Limited	Bestway Development Limited	(b)	265,965,000	5.17%
Wealthguard Investment Limited	Wealthguard Investment Limited	(c)	1,052,073,520	20.45%
GEM Global Yield Fund Limited	GEM Global Yield Fund Limited		402,970,000	7.83%
Atlantis Investment Management Ltd	Atlantis Investment Management Ltd		370,000,000	7.19%
Jayhawk China Fund (Cayman). Ltd	Jayhawk China Fund (Cayman). Ltd	(d)	259,406,000	5.04%
Kent C. McCarthy	Kent C. McCarthy	(d)	259,406,000	5.04%

Notes:

- (a) The interests of Ms. Wang Ya Chin include the 522,170,092 shares held by Best Online Limited, being the personal and corporate interests of Mr. Tang Kuan Chien, as disclosed under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above.
- (b) These interests are also included as a corporate interest of Mr. Tang Kuan Chien as disclosed under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above.
- (c) These interests are also included as a corporate interest of Mr. Andy Hsiao-An Yuan as disclosed under the heading "Director' interests and short positions in shares, underlying shares and debentures" above.
- (d) The controlling shareholder of Jayhawk China Fund (Cayman). Ltd is Kent C. McCarthy.

Save as disclosed above, as at 31 March 2006, no person other than the directors of the Company whose interests are set out under the heading "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares, underlying shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東

於二零零六年三月三十一日，按本公司根據證券及期貨條例第336條保存之權益登記冊所載，擁有本公司已發行股本5%或以上權益之股東載列如下：

長倉：

Name		Notes	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
姓名		附註	所持普通股數目	
Ms. Wang Ya Chin	王雅清女士	(a)	806,149,092	15.67%
Best Online Limited	Best Online Limited	(b)	522,170,092	10.15%
Bestway Development Limited	Bestway Development Limited	(b)	265,965,000	5.17%
Wealthguard Investment Limited	Wealthguard Investment Limited	(c)	1,052,073,520	20.45%
GEM Global Yield Fund Limited	GEM Global Yield Fund Limited		402,970,000	7.83%
Atlantis Investment Management Ltd	Atlantis Investment Management Ltd		370,000,000	7.19%
Jayhawk China Fund (Cayman). Ltd	Jayhawk China Fund (Cayman). Ltd	(d)	259,406,000	5.04%
Kent C. McCarthy	Kent C. McCarthy	(d)	259,406,000	5.04%

附註：

- (a) 王雅清女士之權益包括Best Online Limited所持有之522,170,092股股份及唐貫健先生之公司權益，已於上文「董事於股份、相關股份及債券之權益及短倉」一節中披露。
- (b) 此等權益亦已於上文「董事於股份、相關股份及債券之權益及短倉」一節中披露，為唐貫健先生之公司權益。
- (c) 此等權益亦已於上文「董事於股份、相關股份及債券之權益及短倉」一節中披露，為Andy Hsiao-An Yuan先生之公司權益。
- (d) Jayhawk China Fund (Cayman) Ltd之控股股東為Kent C. McCarthy。

除上文所披露者外，於二零零六年三月三十一日，除其權益載於上文「董事於股份、相關股份及債券之權益及短倉」一節之本公司董事外，概無任何人仕須根據證券及期貨條例第336條登記於本公司股份、相關股份及債券中之權益或短倉盤。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the directors of the Company or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the accounting period covered by the annual report, except for certain deviations, please refer to the Corporate Governance Report on pages 30 to 39 of the annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors confirmed that they have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

足夠之公眾持股量

根據本報告刊發日期可以得悉，而董事亦知悉之公開資料，本公司已發行股本總數中之最少25%乃由公眾持有。

董事於競爭業務之權益

除本集團業務外，董事及彼等各自之聯繫人士概無於任何與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益。

企業管治

董事認為，本公司已於年報所涵蓋之整個會計期間內遵守聯交所證券上市規則（「上市規則」）附錄14中之《企業管治常規守則》（「守則」），惟若干偏離者除外，請參閱年報第30頁至第39頁之企業管治報告。

證券交易之標準守則

本公司已採納標準守則作為董事買賣本公司證券之標準。根據向本公司董事所作出之特定查詢，董事確認彼等已於年報所涵蓋之整個會計期間內遵守標準守則所載規定。

AUDIT COMMITTEE

The Company has an audit committee which was established in April 1999 and in compliance with Rules 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 40 to the financial statements.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Tang Kuan Chien
Chairman

Hong Kong
21 July 2006

審核委員會

本公司已遵照上市規則第3.21條於一九九九年四月成立審核委員會，以審視及監督本集團之財務報告程序及內部控制。審核委員會由本公司三位獨立非執行董事組成。

結算日後事項

本集團結算日後重大事項載於財務報表附註40。

核數師

安永會計師事務所任滿告退。本屆股東週年大會將提出決議案重新委任安永會計師事務所為本公司之核數師。

代表董事會

主席
唐貫健

香港
二零零六年七月二十一日