

For the year ended 31st March, 2006 (the “Year”), in the opinion of the Board, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

#### Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries to all Directors who have confirmed that, during the Year, they have complied with the required standard set out in the Model Code.

#### The Board

As at 31st March 2006, the Board consists of 8 directors including 4 executive directors, 1 non-executive director and 3 independent non-executive directors (“INEDs”). Names and biographical details of the Directors are set out under the section headed “Directors and Senior Management of the Company” on page 9.

During the Year, the Board held 4 meetings. Attendance of each director at the Board meetings held in the year ended 31st March 2006 is set out below:

Directors	Meetings Attended/Held
<i>Executive Directors:</i>	
Mr. Jimmy Lee Yuen Ching (Chairman)	4/4
Mr. James Lee Yuen Kui (Managing Director)	4/4
Mr. Peter Lee Yuen Wong	1/4
Mr. Edward Lee Yuen Cheor	3/4
<i>Non-Executive Director:</i>	
Ms. Dorathy Lee Yuen Yu	1/4
<i>Independent Non-Executive Directors:</i>	
Dr. Samson Sun	4/4
Mr. William Chan Chak Cheung	4/4
Mr. Chan Kwok Wai	4/4

The Board is responsible for leadership and control of the Group. The Board reviews and approves the objective, strategies, direction and policies of the Group, the annual budget and the management structure of the Company. The Board also reviews the Group’s performance and monitored the activities of the Group.

The Board has delegated the responsibility of the day-to-day operations of the Group to the management of the Group.

Each non-executive and independent non-executive director, except Mr. Chan Kwok Wai who was appointed for a term of three years commencing from 20th April 2005, were appointed for a term of period up to his retirement and re-election by rotation under the bye-laws of the Company.

#### Chairman and Managing Director

The Chairman of the Board is Mr. Jimmy Lee Yuen Ching and the Managing Director of the Group is Mr. James Lee Yuen Kui. The roles of the Chairman and the Managing Director were segregated. The Chairman is primarily responsible for the management and effective performance of the Board. The Managing Director is primarily responsible for the day-to-day management of the business of the Group.

#### Remuneration Committee

The Board has established a remuneration committee and its principle roles and functions are:

- (i) to make recommendations to the Board on the Company’s policy and structure of remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (ii) to determine the specific remuneration packages of executive directors and senior management; and
- (iii) to review and approve performance based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee consists of 5 members. They are Dr. Samson Sun who is the Chairperson of the Remuneration Committee, Mr. Chan Kwok Wai, Mr. William Chan Chak Cheung, Mr. Jimmy Lee Yuen Ching and Mr. James Lee Yuen Kui.

The emoluments of each of the Directors are set out in this annual report on page 44.

#### Nomination Committee

The Board has established a nomination committee. The Committee is responsible for developing criteria to identify, assess the qualifications of and evaluate candidates for the Board. They identify individuals suitably qualified in terms of skill, knowledge and experience to become members of the Board, taking into account of the then existing composition of the Board in terms of skill, knowledge and experience and make recommendation to the Board for approval.

The Nomination Committee consists of 5 members. They are Mr. William Chan Chak Cheung who is the Chairperson of the Nomination Committee, Dr. Samson Sun, Mr. Chan Kwok Wai, Mr. Jimmy Lee Yuen Ching and Mr. James Lee Yuen Kui.

Subsequent to the Year End Date, one experienced and high calibre individual Mr. Ricky Wai Kwong Yuen has been nominated and appointed as an executive director of the Board in accordance with the process and criteria mentioned above.

#### Audit Committee

The Board has established an audit committee and its principal roles and functions are:

- (i) to make recommendation to the Board on the appointment, reappointment and removal of external auditors and to review and monitor their independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (ii) to oversee the Group's relation with the external auditors;
- (iii) to review the financial information of the Group including monitoring the integrity of the Group's financial statements, annual reports and accounts, and interim report and reviewing significant accounting policies; and
- (iv) to oversee the Group's financial reporting system and internal control procedures.

The Audit Committee comprised 3 members and all of them are INEDs. Attendance of each member at the Audit Committee meetings held in the Year is set out below:

Members	Meetings Attended/Held
Dr. Samson Sun (Chairman)	4/4
Mr. William Chan Chak Cheung	4/4
Mr. Chan Kwok Wai (appointed on 20th April 2005)	4/4

The following is a summary of the work performed by the Audit Committee during the Year:

- Reviewed the audited accounts for the year ended 31st March, 2005;
- Reviewed the interim report for the six months ended 30th September, 2005; and
- Reviewed the internal audit reports covering the evaluation of internal controls.

#### Auditors' Remuneration

During the Year, the remuneration payable to the Group's external auditors, Messrs. Deloitte Touche Tohmatsu, is set out below:

Services rendered	Fee payable HK\$'000
Audit services	1,500
Non-audit services	143
<b>Total</b>	<b>1,643</b>

#### Accountability and Audit

The Directors acknowledge their responsibility for preparing the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting balanced and clear interim and annual financial statements, other price-sensitive announcements and other financial statements disclosures. The reporting responsibilities of the external auditors are set out in this annual report on page 16.

The Board is responsible for the system of internal control of the Group and reviews the effectiveness of the system of internal control through the Audit Committee. The management responsible for Internal Audit independently reviewed the major operating and financial control of the Group on an on-going basis and covered all major operations of the Group on a rotational basis and reported twice each year to the Audit committee on significant findings on internal controls.



*Global position system (GPS) watch receives satellite signals to map the position of your present location as well as destination. The watch can also calculate the remaining distance and time to the destination with altitude and compass functions.*