

The Board of Directors (“Board”) is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31st March, 2006.

The Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) as promulgated by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) came into effect for accounting periods commencing on 1st January, 2005 (save for the provisions on internal controls which came into effect for accounting periods commencing from 1st July, 2005 onwards).

Good corporate governance has always been recognized as vital to the Group’s success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company’s needs.

The Company has put in place corporate governance practices to meet the Code Provisions that are considered to be relevant to the Group and has complied with all most of the Code Provisions save for certain deviations from the Code Provisions, details of which will be explained in the relevant paragraphs in this report. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

董事會（「董事會」）欣然呈奉載於本集團截至二零零六年三月三十一日止年度年報之企業管治報告。

由香港聯合交易所有限公司（「聯交所」）頒佈之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14項下企業管治常規守則（「企管守則」）於二零零五年一月一日始之會計期間生效（不包括於二零零五年七月一日或之後開始之會計期間生效之內部監控條文）。

本集團一直認為良好之企業管治乃本集團成功及持續發展之關鍵。我們致力維持高水平之企業管治並盡最大努力找出及制定適合本公司業務需要之企業管治守則。

本公司已實施企業管治常規，以符合與本集團相關之守則條文，除若干偏離守則條文，並將於此報告相關段落解釋之詳情外，本公司已遵守大部份之守則條文。本公司定期檢討其企業管治守則以確保彼等能持續符合企管守則之規定。

The key corporate governance principles and practices of the Company are summarised as follows:

## THE BOARD

### Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including: the approval and monitoring of all policy matters, the setting of objectives and overall strategies, material transactions (in particular those may involve conflict of interests), appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives. Approval has to be obtained from the Board prior to any significant transactions entered into by these senior executives and the Board has the full support of them to discharge its responsibilities.

All directors have full and timely access to all relevant information as well as the advice and services of the professional advisers, as and when required, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

### Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

The Company has met the recommended best practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive directors.

本公司之主要企業管治原則及常規概述如下：

## 董事會

### 職責

董事會負責領導及監控本公司以及監管本集團之業務、策略方針及表現，並透過指導及監督本公司事務，共同負責引領本公司邁向成功。實質上，董事會負責本公司所有主要事務之決策，包括：批准及監察所有政策事項、制定目標及整體策略、重大交易（尤其可能牽涉利益衝突之交易）、董事任命及其他重要財務及經營事項。本公司之日常管理、行政及經營事務乃委派予高級行政人員處理。此等高級行政人員於訂立任何重要交易前均須獲得董事會之批准，而董事會於履行其職責時亦獲彼等全力支持。

為確保董事會程序及所有適用規則及規例均獲得遵守，全體董事均有充足及適時之途徑取得一切有關資料及專業顧問之意見及服務。

每名董事一般可在適當情況下在向董事會提出要求尋求獨立專業意見，費用由本公司承擔。

### 組成

董事會之組成體現有效領導本公司及獨立決策具備各項適當所須技巧及經驗之平衡。

本公司已符合企管守則內有關董事會之建議最佳慣例，至少三分之一之董事會成員須為獨立非執行董事。

**THE BOARD** (Continued)**Composition** (Continued)

The Board of the Company as at the date of this report comprises the following directors:

**Executive directors:**

Mr. Dong Bo, Frederic (Chairman)  
Mr. Gao Feng  
Mr. Ma Kwok Hung, Warren

**Independent non-executive directors:**

Mr. Wong Hoi Kuen, Edmund (Chairman of Audit Committee & Member of Remuneration Committee)  
Mr. Pang Haiou (Member of Audit Committee)  
Mr. Zuo Guang (Member of Audit Committee)  
Mr. Chan Chi Yuen (Member of Audit Committee & Chairman of Remuneration Committee)  
Mr. Chow Siu Ngor (Member of Audit Committee & Member of Remuneration Committee)

All the independent non-executive directors are members of Audit Committee with Mr. Wong Hoi Kuen, Edmund acting as Chairman of the Audit Committee. There are three members in the Remuneration Committee who are all independent non-executive directors with Mr. Chan Chi Yuen acting as Chairman of Remuneration Committee. During the year ended 31st March, 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

None of the members of the Board is related to one another.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

**董事會** (續)**組成** (續)

本公司之董事會於本報告日期包括以下董事：

**執行董事：**

董波先生 (主席)  
高峰先生  
馬國雄先生

**獨立非執行董事：**

黃海權先生 (審核委員會主席及薪酬委員會成員)  
龐海歐先生 (審核委員會成員)  
左廣先生 (審核委員會成員)  
陳志遠先生 (審核委員會成員及薪酬委員會主席)  
鄒小岳先生 (審核委員會成員及薪酬委員會成員)

所有獨立非執行董事乃審核委員會成員，而黃海權先生為此委員會之主席。薪酬委員會之三名成員均為獨立非執行董事，並由陳志遠先生擔任主席一職。截至二零零六年三月三十一日止年度，董事會一直符合上市規則之要求，委任至少三名獨立非執行董事，而其中至少一名獨立非執行董事須具備適當專業資格，或會計或有關財務管理之專業知識。

董事名單 (按類別劃分) 亦會於本公司不時根據上市規則刊發之一切公司通訊中披露。

董事會成員彼此互相概無任何關連。

本公司已收到每名獨立非執行董事根據上市規則發出之年度獨立性確認書。根據上市規則所載之獨立指引，本公司認為所有獨立非執行董事均為獨立。

**THE BOARD** (Continued)**Appointment and Succession Planning of Directors**

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Bye-laws.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Save for Mr. Wong Hoi Kuen, Edmund, none of the independent non-executive directors is appointed for a specific term. Pursuant to the Company's Bye-laws, all directors of the Company, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years. Whereas pursuant to the company's Private Act enacted in Bermuda, managing director of the company shall not be subject to retirement by rotation.

To conform with Code Provision A.4.2 of the CG Code and the Private Act which overrides the Bye-laws and Code Provision A.4.1, a special resolution will be proposed at the 2006 annual general meeting of the Company to amend the Company's Bye-laws so that any new director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after his/her appointment and all directors including Chairman (save for Managing Director) shall be subject to retirement by rotation once every three years .

Though the Company has not set up a nomination committee, the Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

**董事會** (續)**董事之委任及連任計劃**

董事之委任、重選及罷免程序及過程乃列載於本公司之公司細則內。

守則條文第A.4.1條規定非執行董事須按指定任期委任，並須膺選連任。

守則條文第A.4.2條規定所有獲委任填補臨時空缺之董事須於獲委任後首次股東大會由股東選舉，而每名董事（包括按指定任期委任者）須至少每三年輪值退任一次。

除黃海權先生外，概無獨立非執行董事以指定任期委任。根據本公司之公司細則，本公司所有董事（不論彼之委任任期（如有））須至少每三年輪值退任一次。然而根據於百慕達頒佈之公司法例，公司之董事總經理毋須輪值退任。

為符合凌駕公司細則及守則條文A.4.1之企管守則條文A.4.2條及本公司法例，本公司二零零六年之股東週年大會將提呈特別決議案，以修訂本公司之公司細則，致使所有獲委任填補臨時空缺之董事須於委任後首次股東大會供股東選舉，而全體董事包括主席（不包括董事總經理）須至少每三年輪值退任一次。

縱使本公司並無成立提名委員會，然而董事會會定期檢討其架構、人數及組成，以確保適合本公司業務所須之專業知識、技能及經驗之間取得平衡。

倘董事會出現空缺，董事會將參照建議候選人之技能、經驗、專業知識、個人操守及時間承諾、本公司之需要及其他相關法定規定及法規執行甄選程序。必要時可委任外部招聘代理機構執行招聘及甄選程序。

**THE BOARD** *(Continued)***Appointment and Succession Planning of Directors** *(Continued)*

In accordance with the Company's Bye-laws, Mr. Gao Feng, executive director, and Mr. Wong Hoi Kuen, Edmund, independent non-executive director, having been appointed to the respective posts of director of the Company during the year, shall retire and being eligible, offer themselves for re-election at the 2006 annual general meeting. Mr. Dong Bo, Frederic, Chairman, shall retire by rotation and being eligible, offer himself for re-election at the 2006 annual general meeting. In addition, Mr. Ma Kwok Hung, Warren, executive director, and Messrs. Chan Chi Yuen and Chow Siu Ngor, independent non-executive directors, who were appointed to the respective posts of director of the Company after the financial year ended 31st March, 2006, shall also retire and being eligible, offer themselves for re-election at the 2006 annual general meeting. The Company's circular dated 31st July, 2006 contains detailed information of the directors standing for re-election.

The Board recommends the re-appointment of the directors standing for re-election at the 2006 annual general meeting of the Company.

**Training for Directors**

Each newly appointed director received comprehensive induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The directors have access to seek professional advice on legal and regulatory developments at the Company's expenses whenever feel necessary.

**董事會** *(續)***董事之委任及連任計劃** *(續)*

根據本公司之公司細則，高峰先生（執行董事）及黃海權先生（獨立非執行董事）於本年度分別獲委任出任本公司董事，並須於二零零六年股東週年大會上退任，並符合資格且願膺選連任。董波先生（主席）須於二零零六年股東週年大會上輪值退任，並符合資格且願膺選連任。此外，馬國雄先生（執行董事）、陳志遠先生及鄧小岳先生（獨立非執行董事）於截至二零零六年三月三十一日止財政年度之後分別獲委任出任董事，均須於二零零六年股東週年大會上退任，並符合資格且願膺選連任。本公司於二零零六年七月三十一日之通函載有膺選連任之董事之資料。

董事會建議本公司於二零零六年股東週年大會上重新委任膺選連任之董事。

**董事培訓**

每名新任董事於其首次獲委任時收到全面之入職介紹，以確保彼能適當掌握本公司之業務及經營，並完全了解其根據上市規則及相關法規之職務與責任。

當董事認為必要，可在向董事會提出要求尋求法律及監管發展之專業意見，費用由本公司承擔。

**THE BOARD** *(Continued)***Remuneration of Directors**

Prior to the setting up of the remuneration committee on 20th July, 2006, the Board was responsible for reviewing the remuneration policy and packages of the directors and senior executives and made recommendations about their proposals to the Chairman which were determined by reference to the performance of the individuals and the Group and market practices and conditions on the basis of retaining and motivating executives to pursue the growth and development of the Group.

**Board and Board Committee Meetings*****Number of Meetings and Directors' Attendance***

Regular Board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year ended 31st March, 2006, 25 Board meetings (two of which are regular Board meetings) and two Audit Committee meetings were held.

**董事會** *(續)***董事之薪酬**

於二零零六年七月二十日成立薪酬委員會前，董事會負責檢討董事及高級行政人員之薪酬政策及待遇，並向主席提交建議，按照個別員工之表現、本集團業績、市場慣例及市況釐定，務求挽留及獎勵行政人員繼續為本集團之增長及發展效力。

**董事會及董事委員會會議****會議舉行次數及董事出席率**

常規董事會會議須最少每年舉行四次，約為每季舉行一次，以檢討及批准財務及業務表現，並考慮及批准本公司整體策略及政策。

截至二零零六年三月三十一日止年度，本公司曾舉行二十五次董事會會議（其中兩次為常規董事會會議）及兩次審核委員會會議。

**THE BOARD** (Continued)**Board and Board Committees Meetings** (Continued)**Number of Meetings and Directors' Attendance** (Continued)

The individual attendance record of each director at the meetings of the Board and Audit Committee during the year ended 31st March, 2006 is set out below:

**董事會** (續)**董事會及董事委員會會議** (續)**會議舉行次數及董事出席率** (續)

截至二零零六年三月三十一日止年度，每名董事出席董事委員會及審核委員會會議之個別紀錄列載如下：

Name of Directors	董事姓名	Attendance/Number of Meetings held during the tenure of directorship	
		出席率／於董事任期內會議舉行次數	Audit Committee 審核委員會
	Board 董事會		
<i>Executive Directors</i>	<i>執行董事</i>		
– Mr. Dong Bo, Frederic (Chairman)	– 董波先生 (主席)	25/25	N/A不適用
– Mr. Gao Feng (appointed on 14th February, 2006)	– 高峰先生 (於二零零六年二月十四日獲委任)	6/6	N/A不適用
– Mr. Lau Man Tak (resigned on 5th August, 2005)	– 劉文德先生 (於二零零五年八月五日辭任)	9/9	N/A不適用
– Mr. Wong Cho Fai, Nicholas (appointed on 23rd May, 2005 & resigned on 5th October, 2005)	– 黃祖輝先生 (於二零零五年五月二十三日獲委任 並於二零零五年十月五日辭任)	–/12	N/A不適用
– Mr. Cheung Yu Shum, Jenkin (appointed on 24th June, 2005 & resigned on 14th February, 2006)	– 張如深先生 (於二零零五年六月二十四日獲委任 並於二零零六年二月十四日辭任)	12/12	N/A不適用

## THE BOARD (Continued)

## 董事會 (續)

## Board and Board Committees Meetings (Continued)

## 董事會及董事委員會會議 (續)

## Number of Meetings and Directors' Attendance (Continued)

## 會議舉行次數及董事出席率 (續)

Name of Directors	董事姓名	Attendance/Number of Meetings held during the tenure of directorship	
		Board 董事會	Audit Committee 審核委員會
<i>Independent Non-Executive Directors</i>			
<i>獨立非執行董事</i>			
– Mr. Wong Hoi Kuen, Edmund (appointed on 13th February, 2006, Chairman of Audit Committee)	– 黃海權先生 (於二零零六年二月十三日獲委任， 審核委員會主席)	3/6	N/A不適用
– Mr. Pang Haiou (member of Audit Committee)	– 龐海歐先生 (審核委員會成員)	4/25	2/2
– Mr. Zuo Guang (member of Audit Committee)	– 左廣先生 (審核委員會成員)	1/25	1/2
– Mr. Kan Kwok Shu (resigned on 1st September, 2005, Chairman of Audit Committee)	– 簡國樞先生 (於二零零五年九月一日辭任， 審核委員會主席)	1/10	1/1
– Mr. Shum Ka Hei (resigned on 13th February, 2006, Chairman of Audit Committee)	– 沈家禧先生 (於二零零六年二月十三日辭任， 審核委員會主席)	3/19	2/2
– Mr. Henry Tooze (appointed on 17th March, 2006 & resigned on 30th April, 2006, member of Audit Committee)	– Henry Tooze先生 (於二零零六年三月十七日獲委任 並於二零零六年四月三十日辭任， 審核委員會成員)	N/A不適用	N/A不適用
– Mr. Fung Po Chuen (appointed on 17th March, 2006 & resigned on 30th April, 2006, member of Audit Committee)	– 馮報全先生 (於二零零六年三月十七日獲委任 並於二零零六年四月三十日辭任， 審核委員會成員)	N/A不適用	N/A不適用



**THE BOARD** *(Continued)***Board and Board Committees Meetings** *(Continued)***Practices and Conduct of Meetings**

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notices are generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each director also have separate and independent access to the senior executives whenever necessary. With the support of the senior executives, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are kept by secretary of the meetings and open for inspection by the directors.

The Company's Bye-laws contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

**董事會** *(續)***董事會及董事委員會會議** *(續)***會議常規及守則**

週年大會之安排及每次會議之草擬議程一般會預先向董事提供。

召開常規董事會會議應在會議前至少十四天向所有董事發出通知。至於其他董事會會議及轄下委員會會議，一般會發出合理通知。

董事會文件及所有適當、完整及可靠之資料應於各董事會會議或委員會會議前至少三天送予全體董事，使董事知悉本公司最近期發展及財務狀況，令其作出知情決定。全體董事均有機會提供常規董事會會議議程上之討論事項。於任何必要之情況下，董事會及每名董事均擁有個別及獨立接觸高級行政人員之途徑。主席在高級行政人員協助下，負責確保董事適時收到足夠、完整及可靠之資料以及就於董事會會議上討論之事項得到適當之簡介。

所有董事會之會議紀錄詳細記錄考慮及所達到之決定並由會議之秘書保管並可供董事查閱。

本公司之公司細則規定，於批准董事或其任何聯繫人士牽涉重大利益之交易之會議上，有關董事須放棄表決，且得計入該會議之法定人數內。

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Dong Bo, Frederic is the Chairman. He undertakes the responsibilities and duties of Chief Executive Officer. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and department heads, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of roles of the Chairman and Chief Executive Officer, are necessary.

## BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. Both Board committees are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

All the members of each Board committee are independent non-executive directors and the list of the chairman and members of each Board committee is set out under "Composition" of this report.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

## 主席及行政總裁

企管守則內之守則條文第A.2.1條規定，主席及行政總裁之角色應有區分及不應由一人同時兼任。

董波先生為主席。彼擔任行政總裁之職責與職能。基於本公司之經營規模及本集團業務之日常運作乃委派予高級行政人員及部門主管執行，董事會相信由同一人士擔任主席及行政總裁能為本公司提供強勢及一致之領導，能實際有效地計劃及執行業務決定及策略。維持本集團現有之持續有效經營及發展乃符合本集團之最佳利益。

本公司會持續檢討本集團之企業管治架構，並考慮應否進行任何必要之轉變，包括改變主席及行政總裁之角色區分。

## 董事委員會

董事會成立了兩個委員會，即薪酬委員會及審核委員會，以監督本公司事務之特定範疇。兩個董事委員會均有界定之書面職權範圍。董事委員會之書面職權範圍乃應股東要求提供。

每個董事委員會之全體成員乃獨立非執行董事，每個董事委員會之主席及成員名單列載於本報告「組成」一節內。

董事委員會具備充足資源履行職務，並可於合理要求在適當情況下尋求獨立專業之意見，費用由本公司承擔。

**BOARD COMMITTEES** (Continued)**Remuneration Committee**

The Remuneration Committee was established on 20th July, 2006 and no meeting has been held up to the date of this report.

The primary objectives of the Remuneration Committee include reviewing, making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior executives. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman of the Company about these recommendations on remuneration policy and structure and remuneration packages.

**Audit Committee**

The Audit Committee comprises five independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

**董事委員會** (續)**薪酬委員會**

薪酬委員會於二零零六年七月二十日成立，截至本報告日期並無舉行會議。

薪酬委員會之主要目標包括就執行董事及高級行政人員之薪酬政策及待遇作出檢討、提出建議及批准。薪酬委員會亦負責建立發展該等薪酬政策及架構之透明程序以確保無任何董事會參與決定彼之個人薪酬，薪酬乃按照個別員工及本集團之表現，以及市場慣例及市況釐定。人力資源管理部負責收集及管理人力資源資料，並向薪酬委員會提出建議以作考慮。薪酬委員會須就其對此等薪酬政策及架構及薪酬待遇徵詢本公司主席之意見。

**審核委員會**

審核委員會包括五名獨立非執行董事（包括一名具適當專業資格或會計或相關財務管理專業知識之獨立非執行董事）。審核委員會概無任何成員為本公司現時外聘核數師之前任合夥人。

**BOARD COMMITTEES** (Continued)**Audit Committee** (Continued)

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31st March, 2006 to review the financial results and reports, financial reporting and compliance procedures, report on the Company's internal control and risk management review and processes and the re-appointment of the external auditors.

There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31st March, 2006 has been reviewed by the Audit Committee.

**董事委員會** (續)**審核委員會** (續)

審核委員會之主要職責包括下列各項：

- (a) 審閱財務報表及報告並於提交董事會前考慮任何由合資格會計師、內部核數師或外聘核數師提出之主要或不尋常項目。
- (b) 參考核數師進行之工作、酬金及委聘條款審閱與外聘核數師之關係，並就委任、重新委任及撤換核數師向董事會提出建議。
- (c) 審閱本公司財務報告系統、內部監控系統及風險管理系統及相關程序之準確及有效性。

截至二零零六年三月三十一日止年度，審核委員會共舉行了兩次會議，以審閱財務業績及報告、財務報告及遵例程序、內部核數師於本公司之內部監控及風險管理審閱及過程及重新委任外聘核數師。

並無重大不明朗之事件或狀況，可引起對本公司是否有能力作持續經營實體之重大疑問。

董事會及審核委員會於甄選、委任、辭退或罷免外聘核數師上並無任何異議。

本公司截至二零零六年三月三十一日止年度之年度業績已由審核委員會審閱。

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied the Model Code throughout the year ended 31st March, 2006.

The Company has not established written guidelines for securities transactions by employees (the "Employees Written Guidelines") who are likely to be in possession of unpublished price-sensitive information of the Company. Steps are being taken to adopt the Employees Written Guidelines on no less exacting terms than the Model Code.

## RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31st March, 2006.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on page 35 of the annual report.

## AUDITORS' REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 31st March, 2006 amounted to HK\$775,000.

## 證券交易標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」）。

本公司已向所有董事作出特別查詢，董事確認彼等於截至二零零六年三月三十一日止年度全年已遵守標準守則。

本公司並未就可能擁有本公司未刊登之價格敏感資料之僱員制定有關僱員進行證券交易之書面指引「僱員書面指引」。本公司現正採取步驟以採納不遜於標準守則之僱員書面指引。

## 董事有關財務報表之責任

董事會須負責就年度及中期報告、股價敏感公佈及根據上市規則及其他監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

董事確認彼等有責任編製本公司截至二零零六年三月三十一日止年度之財務報表。

關於本公司外聘核數師就彼等於財務報表之申報責任聲明列載於年報第35頁之「核數師報告書」內。

## 核數師薪酬

截至二零零六年三月三十一日止年度已付本公司外聘核數師有關核數服務之酬金為775,000港元。

## SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of general meetings of the Company and explained during the proceedings of such meetings.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board attended the 2005 annual general meeting to answer questions at the meeting.

Separate resolutions were proposed at 2005 annual general meeting on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior executives maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at the principal place of business in Hong Kong for any inquiries.

## 股東權利及投資者關係

於股東大會上股東之權利及要求就決議案進行投票表決之程序載於本公司細則。該等要求進行投票表決之權利詳情載於致股東之通函(內容關於舉行本公司之股東大會),並將於會議程序上解釋。

本公司之股東大會為股東與董事會之間提供溝通機會。董事會主席出席二零零五年股東週年大會並於會上回答提問。

對每項重大事宜,於二零零五年股東週年大會上另行提呈獨立決議案,包括選舉個別董事。

本公司會繼續加強與投資者之溝通及關係。專責之高級行政人員會定期與機構投資者及分析員交流,讓他們掌握本公司之發展情況。此外並會及時提供資訊回應投資者之查詢。投資者可以書面直接向本公司之香港主要營業地點提出任何查詢。