

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance. The board of directors of the Company (the “Board”) believes that sound corporate governance principles, increased transparency and independency of corporate operation and an effective shareholder communication mechanism will promote healthy growth of the Company and in the best interest of its shareholders as a whole.

The Company applied the principles of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Save as disclosed below and after the amendment to the bye-laws of the Company (the “Bye-laws”) on 29 May 2006, in the opinion of the directors of the Company (the “Directors”), the Company has complied with the code provisions of the Code throughout the year ended 31 March 2007.

Code Provision A.4.1

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

Non-executive Director Mr. Gouw Kar Yiu Carl was not appointed on specific terms. Mr. Gouw Kar Yiu Carl resigned on 9 May 2006.

Code Provision A.4.2

This Code 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. In addition, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to bye-law 99 of the Bye-laws, the Chairman and Managing Director of the Company are not subject to retirement by rotation.

According to bye-law 102(B) of the Bye-laws, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting.

At the special general meeting of the Company held on 29 May 2006, a resolution was passed to amend the Bye-laws. Pursuant to the amended bye-law 99 of the Bye-laws, the Chairman and Managing Director of the Company are also subject to retirement by rotation and pursuant to the amended bye-law 102(B) of the Bye-laws, a director appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and shall be eligible for re-election at that meeting.

企業管治常規

本公司致力維持高水平企業管治。本公司董事會（「董事會」）相信，奏效企業管治原則、更高透明度、公司運作更加獨立以及有效股東通訊機制，將推動本公司穩健發展，亦符合其股東整體最佳利益。

本公司採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）之原則。除下文披露者外及於二零零六年五月二十九日修訂公司細則（「公司細則」）後，本公司之董事（「董事」）認為，本公司於截至二零零七年三月三十一日止年度一直遵守守則所載守則條文。

守則條文第A.4.1條

本守則規定，非執行董事之委任應有指定任期，並須重選連任。

非執行董事吳家耀先生無指定委任期。吳家耀先生於二零零六年五月九日辭任。

守則條文第A.4.2條

本守則規定，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上接受股東推選。此外，每名董事（包括有指定任期之董事）應輪值告退，至少每三年一次。

根據公司細則第99條，本公司主席與董事總經理毋須輪值告退。

根據公司細則第102(B)條，任何獲董事會委任以填補臨時空缺或作為現行董事會新增董事之董事，任期僅至下屆股東周年大會為止。

於二零零六年五月二十九日舉行之本公司股東特別大會上，一項決議案獲通過，以修訂公司細則。根據經修訂公司細則第99條，本公司主席及董事總經理亦須輪值告退，另根據經修訂公司細則第102(B)條，獲委任以填補臨時空缺之董事須於彼獲委任後之首次股東大會上接受股東推選，並合資格於該大會膺選連任。

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Directors' Securities Transactions

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

Following specific enquiry made with the Directors, each of the Directors has confirmed that he has complied with the required standard set out in the Model Code regarding securities transactions during the year ended 31 March 2007.

Board of Directors

As at 31 March 2007, the composition of the Board was as follows:

Executive Directors

執行董事

Mr. Yip Chi Chiu
葉志釗先生
Mr. Lo Wing Yat
盧永逸先生
Mr. Leung Chung Tak Barry
梁仲德先生
Mr. Chan Wai Ming
陳偉明先生
Mr. Loo Chung Keung Steve
盧重強先生

Non-executive Directors

非執行董事

Mr. Ryoji Furukawa
古川令治先生
Mr. Chak Chi Man
翟志文先生
Mr. Ryuichi Tanabe
田辺隆一先生
Mr. Takehiko Wakayama
若山健彦先生

Independent Non-executive Directors

獨立非執行董事

Mr. Chan Yuk Tong
陳育棠先生
Mr. Pang Chun Sing
彭振聲先生
Mr. Chan Chun Wai
陳振威先生
Mr. Sit Fung Shuen Victor
薛鳳旋先生

Mr. Chan Wai Ming, Mr. Loo Chung Keung Steve, Mr. Pang Chun Sing, Mr. Chan Chun Wai and Mr. Sit Fung Shuen Victor resigned on 29 May 2007.

As at 31 March 2007, Mr. Chan Wai Ming and Mr. Loo Chung Keung Steve were the directors and shareholders of Star Metro Investments Limited, the then substantial shareholder of the Company. Mr. Ryoji Furukawa, Mr. Yip Chi Chiu, Mr. Ryuichi Tanabe, Mr. Takehiko Wakayama and Mr. Leung Chung Tak Barry are the directors of Asset Managers Co., Ltd., Asset Investors Co., Ltd., Red Rock Investment Co., Ltd., Asset Managers (Asia) Company Limited, Asset Managers (China) Fund Co., Ltd. and / or Best Effort International Limited, all being substantial shareholders of the Company. Details of their directorships are set out in the section headed "Directors' Biographies" of the Director's Report. Mr. Lo Wing Yat is a director of CITIC International Financial Holdings Limited, a substantial shareholder of the Company. Mr. Chak Chi Man is an employee of CITIC International Assets Management Limited ("CIAM"), a substantial shareholder of the Company. Mr. Ryoji Furukawa, Mr. Yip Chi Chiu and Mr. Lo Wing Yat are directors of CIAM.

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為其董事進行證券交易之操守準則。

經向董事作出具體查詢後，各董事確認，彼於截至二零零七年三月三十一日止年度一直遵守標準守則所載有關董事進行證券交易之規定準則。

董事會

於二零零七年三月三十一日，董事會之組成如下：

陳偉明先生、盧重強先生、彭振聲先生、陳振威先生及薛鳳旋先生於二零零七年五月二十九日辭任。

於二零零七年三月三十一日，陳偉明先生及盧重強先生均為本公司當時主要股東Star Metro Investments Limited之董事兼股東。古川令治先生、葉志釗先生、田辺隆一先生、若山健彦先生及梁仲德先生均為本公司主要股東Asset Managers Co., Ltd.、Asset Investors Co., Ltd.、Red Rock Investment Co., Ltd.、亞盛(亞洲)有限公司、Asset Managers (China) Fund Co., Ltd. 及/或Best Effort International Limited之董事。有關彼等董事職務之詳情載列於董事會報告書「董事資料簡介」一節。盧永逸先生為本公司主要股東中信國際金融控股有限公司之董事。翟志文先生為本公司主要股東中信國際資產管理有限公司(「中信國際資產」)僱員。古川令治先生、葉志釗先生及盧永逸先生均為中信國際資產之董事。

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Board of Directors (Continued)

The Board held four regular meetings and 13 additional meetings during the year ended 31 March 2007. The attendance record of each member of the Board is set out below:

董事會 (續)

截至二零零七年三月三十一日止年度，董事會曾舉行四次定期會議及13次額外會議。董事會各成員之出席記錄載列如下：

Members of the Board

董事會成員

Meetings Attended / Held

出席／舉行會議數目

Executive Directors

Executive Directors	執行董事	Meetings Attended / Held
Mr. Yip Chi Chiu (Note 1)	葉志釗先生 (附註1)	12 / 15
Mr. Lo Wing Yat (Note 2)	盧永逸先生 (附註2)	4 / 7
Mr. Leung Chung Tak Barry (Note 3)	梁仲德先生 (附註3)	8 / 8
Mr. Chan Wai Ming	陳偉明先生	16 / 17
Mr. Loo Chung Keung Steve	盧重強先生	14 / 17
Mr. Zu Yuan (Note 4)	祖員先生 (附註4)	1 / 2
Mr. Sun Yeung Yeung (Note 5)	孫揚陽先生 (附註5)	2 / 11

Non-executive Directors

Non-executive Directors	非執行董事	Meetings Attended / Held
Mr. Ryoji Furukawa (Note 1)	古川令治先生 (附註1)	1 / 15
Mr. Chak Chi Man	翟志文先生	12 / 17
Mr. Ryuichi Tanabe (Note 2)	田邊隆一先生 (附註2)	0 / 7
Mr. Takehiko Wakayama (Note 2)	若山健彥先生 (附註2)	0 / 7
Mr. Gouw Kar Yiu Carl (Note 4)	吳家耀先生 (附註4)	1 / 2
Mr. Tung Tat Chiu Michael (Note 6)	佟達釗先生 (附註6)	5 / 10

Independent Non-executive Directors

Independent Non-executive Directors	獨立非執行董事	Meetings Attended / Held
Mr. Chan Yuk Tong (Note 2)	陳育棠先生 (附註2)	4 / 7
Mr. Pang Chun Sing	彭振聲先生	13 / 17
Mr. Chan Chun Wai	陳振威先生	10 / 17
Mr. Sit Fung Shuen Victor (Note 2)	薛鳳旋先生 (附註2)	3 / 7
Mr. Wong Miu Sung (Note 6)	黃妙送先生 (附註6)	7 / 10

Notes:

- Mr. Ryoji Furukawa and Mr. Yip Chi Chiu were appointed as Directors on 9 May 2006.
- Mr. Lo Wing Yat, Mr. Ryuichi Tanabe, Mr. Takehiko Wakayama, Mr. Chan Yuk Tong and Mr. Sit Fung Shuen Victor were appointed as Directors on 22 November 2006.
- Mr. Leung Chung Tak Barry was appointed as a Director on 20 October 2006.
- Mr. Zu Yuan and Mr. Gouw Kar Yiu Carl resigned on 9 May 2006.
- Mr. Sun Yeung Yeung resigned on 27 November 2006.
- Mr. Tung Tat Chiu Michael and Mr. Wong Miu Sung resigned on 22 November 2006.

附註：

- 古川令治先生及葉志釗先生於二零零六年五月九日獲委任為董事。
- 盧永逸先生、田邊隆一先生、若山健彥先生、陳育棠先生及薛鳳旋先生於二零零六年十一月二十二日獲委任為董事。
- 梁仲德先生於二零零六年十月二十日獲委任為董事。
- 祖員先生及吳家耀先生於二零零六年五月九日辭任。
- 孫揚陽先生於二零零六年十一月二十七日辭任。
- 佟達釗先生及黃妙送先生於二零零六年十一月二十二日辭任。

The overall management of the Company's business is vested in the Board. The Board determines the matters on overall strategic policies, finances and shareholders relationships of the Company. The Board has delegated the day-to-day operations of the Company to the management.

本公司業務之整體管理為董事會之職責。董事會就有關本公司整體策略政策、財務及股東關係之事宜作出決定，並授權管理層負責本公司之日常營運。

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Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company are segregated and the positions of the Chairman and Chief Executive Officer of the Company are held by separate individuals.

The Chairman is responsible for chairing and managing the operations of the Board. The Chief Executive Officer is responsible for managing the business of the Company.

Mr. Ryoji Furukawa is the Chairman of the Company with effect from 9 May 2006. Mr. Loo Chung Keung Steve was the Chairman of the Company from 23 September 2005 to 9 May 2006.

Mr. Yip Chi Chiu is the Chief Executive Officer of the Company with effect from 29 May 2007. During the year ended 31 March 2007, Mr. Chan Wai Ming was the Chief Executive Officer of the Company.

Non-executive Directors

Save as disclosed in the section headed "Corporate Governance Practices" in this Corporate Governance Report, all non-executive Directors are appointed for a term of two years.

Remuneration of Directors

As at 31 March 2007, the remuneration committee of the Company (the "Remuneration Committee") comprises four independent non-executive Directors, namely Mr. Pang Chun Sing (Chairman), Mr. Chan Chun Wai, Mr. Sit Fung Shuen Victor, Mr. Chan Yuk Tong and the Chief Executive Officer of the Company, Mr. Chan Wai Ming.

Written Terms of Reference of Remuneration Committee have been adopted by the Board. The principal roles and functions of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such policy, determining the specific remuneration packages of all executive Directors and senior management, recommending to the Board of the remuneration of non-executive Directors, and reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

主席及行政總裁

本公司主席及行政總裁之角色有所區分，而本公司主席及行政總裁之職位由不同人士擔任。

主席負責主持董事會及管理其運作。行政總裁負責管理本公司業務。

古川令治先生出任本公司主席，於二零零六年五月九日生效。盧重強先生於二零零五年九月二十三日至二零零六年五月九日期間出任本公司主席。

葉志釗先生出任本公司行政總裁，於二零零七年五月二十九日生效。截至二零零七年三月三十一日止年度，陳偉明先生出任本公司行政總裁。

非執行董事

除本企業管治報告「企業管治常規」分節披露者外，全體非執行董事之任期均為兩年。

董事酬金

於二零零七年三月三十一日，本公司薪酬委員會（「薪酬委員會」）由四名獨立非執行董事，即彭振聲先生（主席）、陳振威先生、薛鳳旋先生、陳育棠先生以及本公司行政總裁陳偉明先生組成。

薪酬委員會之書面職權範圍已獲董事會採納。薪酬委員會之主要職責及職能包括就本公司有關全體董事及高級管理人員酬金之政策及結構以及建立制定有關政策之正式兼具透明度程序，向董事會作出推薦意見；釐定全體執行董事及高級管理人員之特定薪酬待遇；就非執行董事之酬金向董事會作出推薦意見；以及審閱及批准參考董事會不時議決之公司目標與方針釐定與表現掛鈎之薪酬。

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Remuneration of Directors (Continued)

The Remuneration Committee held two meetings during the year and the record of individual attendance of members is set out below:

Members of Remuneration Committee

薪酬委員會成員

Meetings Attended / Held

出席／舉行會議數目

Mr. Chan Yuk Tong (Note 1)	陳育棠先生(附註1)	1 / 1
Mr. Pang Chun Sing	彭振聲先生	2 / 2
Mr. Chan Chun Wai	陳振威先生	2 / 2
Mr. Wong Miu Sung (Note 2)	黃妙送先生(附註2)	1 / 1
Mr. Sit Fung Shuen Victor (Note 1)	薛鳳旋先生(附註1)	1 / 1
Mr. Chan Wai Ming	陳偉明先生	2 / 2

Notes:

1. Mr. Chan Yuk Tong and Mr. Sit Fung Shuen Victor were appointed as Directors on 22 November 2006.
2. Mr. Wong Miu Sung resigned on 22 November 2006.

附註

1. 陳育棠先生及薛鳳旋先生均於二零零六年十一月二十二日獲委任為董事。
2. 黃妙送先生於二零零六年十一月二十二日辭任。

The Remuneration Committee preformed the following work during the year:

- reviewed the remuneration policy of the Company.
- reviewed the remuneration of the Directors, the terms of service contracts of the Directors and the performance of executive Directors.

薪酬委員會於年內曾進行以下工作：

- 檢討本公司薪酬政策。
- 檢討董事酬金、董事服務合約條款及執行董事之表現。

Nomination of Directors

The Company has not established a nomination committee. The roles and functions of the nomination committee are performed by the Board. The Board considers the suitability of a candidate to act as a director on the basis of his or her qualifications, experience and background.

提名董事

本公司並無成立提名委員會。提名委員會之職責及職能由董事會負責。董事會根據候選人之資歷、經驗及背景考慮出任董事合適人選。

Auditors' Remuneration

For the year ended 31 March 2007, the auditors of the Company received approximately HK\$611,000 for audit services and HK\$150,000 for non-audit services, including HK\$65,000 for review of interim results for the six months ended 30 September 2006 and HK\$85,000 for review in relation to open offer of the Company implemented in June 2006.

核數師酬金

截至二零零七年三月三十一日止年度，本公司核數師就審核服務及非審核服務分別收取約611,000港元及150,000港元，其中65,000港元作為審閱截至二零零六年九月三十日止六個月之中期業績之費用，另外85,000港元則為審閱本公司於二零零六年六月進行之公開發售之費用。

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Audit Committee

As at 31 March 2007, the audit committee of the Company (the "Audit Committee") comprises four independent non-executive Directors, namely Mr. Pang Chun Sing (Chairman), Mr. Chan Chun Wai, Mr. Sit Fung Shuen Victor and Mr. Chan Yuk Tong.

Written Terms of Reference of Audit Committee have been adopted by the Board. The principal roles and functions of the Audit Committee include making recommendations to the Board on the appointment and removal of external auditors and approval of their terms of engagement, reviewing and monitoring external auditors' independence and effectiveness of audit process, reviewing the financial information of the Company and overseeing the Company's financial reporting system and internal control procedures.

The Audit Committee held two meetings during the year and the record of individual attendance of members is set out below:

Members of Audit Committee

審核委員會成員

Mr. Chan Yuk Tong (Note 1)	陳育棠先生(附註1)
Mr. Pang Chun Sing	彭振聲先生
Mr. Chan Chun Wai	陳振威先生
Mr. Wong Miu Sung (Note 2)	黃妙送先生(附註2)
Mr. Sit Fung Shuen Victor (Note 1)	薛鳳旋先生(附註1)

Notes:

- Mr. Chan Yuk Tong and Mr. Sit Fung Shuen Victor were appointed as Directors on 22 November 2006.
- Mr. Wong Miu Sung resigned on 22 November 2006.

The Audit Committee performed the following work during the year:

- reviewed the annual results for the year ended 31 March 2006 and the interim results for the six months ended 30 September 2006, the announcement in relation thereof and the annual and interim reports.
- reviewed the Company's financial control, internal control and risk management systems.
- reviewed the auditors' audit findings.
- reviewed the auditors' remuneration.
- recommended to the Board, for the approval by shareholders of the Company, the re-appointment of CCIF CPA Limited as the auditors of the Company.

審核委員會

於二零零七年三月三十一日，本公司審核委員會（「審核委員會」）由四名獨立非執行董事，即彭振聲先生（主席）、陳振威先生、薛鳳旋先生及陳育棠先生組成。

審核委員會之書面職權範圍已獲董事會採納。審核委員會之主要職責及職能包括就委任與罷免外聘核數師以及批准其委聘條款，向董事會作出推薦意見；審閱及監控外聘核數師之獨立性及審核程序之效益；審閱本公司財務資料；以及監督本公司之財務申報系統及內部監控程序。

審核委員會於年內曾舉行兩次會議，個別成員之出席記錄載列如下：

Meetings Attended / Held

出席／舉行會議數目

		1 / 1
		2 / 2
		2 / 2
		1 / 1
		1 / 1

附註：

- 陳育棠先生及薛鳳旋先生於二零零六年十一月二十二日獲委任為董事。
- 黃妙送先生於二零零六年十一月二十二日辭任。

審核委員會於年內曾進行以下工作：

- 審閱截至二零零六年三月三十一日止年度之全年業績及截至二零零六年九月三十日止六個月之中期業績，有關公告及年度與中期報告。
- 審閱本公司之財務控制、內部監控及風險管理系統。
- 審閱核數師之審核結果。
- 審閱核數師酬金。
- 就本公司股東批准及重新委任陳葉馮會計師事務所有限公司為本公司核數師，向董事會作出推薦意見。

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Financial Reporting

The Directors acknowledge their responsibility for preparing the accounts of the Group. The statement by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Report of the Auditors on pages 33 and 34.

Internal Control

The Board has overall responsibility for ensuring that the Group maintains an effective system of internal control and reviewing its effectiveness on an ongoing basis. The Company engaged an independent accounting firm to review the system of internal control of the Group, which firm performed a review of certain key entity level controls based on the criteria established within the report, *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organisations of the Treadway Commission. The findings and recommendation report from the review has been reviewed by the Audit Committee and discussed by the Audit Committee with the Board. The Board is committed to continuously improve the Group's system of internal control and based on the report made by the independent accounting firm has developed action plans to timely address the findings and recommendation identified from the review.

財務報告

董事承認其編製本集團賬目之責任。本公司核數師就本集團財務報表之申報責任聲明載於第33及34頁之核數師報告書內。

內部監控

董事會整體負責，確保本集團維持內部監控系統之有效性及檢討其持續經營基準之效能。本公司已委任一所獨立會計師事務所，以檢討本集團內部監控系統，該事務所已根據Committee of Sponsoring Organisations of the Treadway Commission發表之報告「內部監控－綜合架構」訂下之標準，就若干主要公司級監控作出審閱。審閱之結果及推薦意見報告已由審核委員會審閱，並由審核委員會與董事會商討。董事會致力於不斷提高本集團之內部監控系統，並根據獨立會計師事務所編製之報告制定行動計劃，以及時處理審閱所總結之結果及推薦意見。