

Sound corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. UBA Investments Limited is committed to high standards of corporate governance with a view to being transparent, open and accountable to our shareholders.

On 1 January 2005, the Code of Best Practices contained in appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) was replaced by the Code on Corporate Governance Practices (“the Code”). The Company adopted all the code provisions in the Code as its own code on corporate governance practices.

The Company has complied with the code provisions as set out in the Code during the year ended 31st March 2006 with exception.

Corporate Governance Practice

With the assistance of the Compliance Department, the Board has designed a proper corporate governance structure. Currently, there are three board committees, including Audit Committee, Executive Committee and Remuneration Committee. Audit Committee and Remuneration Committee perform their distinct roles in accordance with their respective terms of reference. Executive Committee assist the Group to set up business strategy and planning.

Board of Directors

Composition

The Board of Directors of the Company comprises six members. Mr. Li Kwok Cheung, George acts as Chairman of the Board, whereas Mr. Cheng Wai Lun, Andrew act as Managing Director of the Company. Other executive director is Dr. Wong Yun Kuen. The Company has three independent non-executive directors, they are Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David. One of whom namely, Mr. Wong Wai Kwong, David has appropriate professional accounting experience and expertise.

All directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each director are disclosed in pages 7 to 8 of this Annual Report.

穩健之企業管治常規對公司之順暢、有效及具透明度之運作，以及其吸引投資、保障股東及股權持有人權利及提升股東價值極為關鍵。開明投資有限公司致力維持高水平之企業管治，以對其股東透明、公開及問責。

於二零零五年一月一日，香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之最佳應用守則，已為《企業管治常規守則》（「該守則」）所代替。本公司已採納該守則內所有守則條文，作為其本身之企業管治常規守則。

除特殊情況外，截至二零零六年三月三十一日止年度，本公司一直遵守該守則所載之守則條文。

企業管治常規

在規章部門之協助下，董事會已制定合適之企業管治架構。目前，本公司有三個董事委員會，包括審核委員會、執行委員會及薪酬委員會。審核委員會及薪酬委員會各自在特定之職權範圍內履行本身獨有之職能。執行委員會協助本集團制定業務策略及計劃。

董事會

成員

本公司董事會由六名成員組成，李國祥先生為董事會主席，而鄭偉倫先生為本公司董事總經理。其他執行董事為黃潤權博士。本公司共有三名獨立非執行董事，分別為黃偉光先生、馮振雄醫生及葉漫天先生，當中黃偉光先生具有合適之專業會計經驗及專業知識。

全體董事於本身之專業範圍均為傑出人士，展現出高水準之個人及專業道德及品格。各董事之履歷於本年報第7頁至第8頁披露。

Each independent non-executive director has pursuant to the rule 3.13 of the Listing Rules, confirmed that he is independent of the Company and the Company also considers that they are independent.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transacting by the directors (the "Model Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standards as set out in the Model Code during the year.

There is no relationship (including financial, business, family or other material relationship) among members of the Board.

Pursuant to the articles of association of the Company, the directors shall hold office subject to retirement by rotation at the annual general meeting of the Company at least once every three years and eligible for re-election.

Pursuant to Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. None of the non-executive directors has entered or proposed to enter into any service contracts with the Company or its subsidiaries. Accordingly, the non-executive directors have no set term of office but they are subject to retirement by rotation at least once every three years. As such, the Board considers that sufficient measures have been taken to serve the purpose of the Code provision A.4.1.

Function

The Board of Directors, headed by the Chairman, is responsible for formulation and approval of the Group's development and business strategies and policies, approval of annual budgets and business plans, recommendation of dividend, and supervision of management in accordance with the rules governing the meeting of the Board of Directors, the Managing Director's working guides, articles of association and rules governing the meeting of shareholders.

The executive directors are responsible for day-to-day management of the Company's operations. These executive directors conduct regular meetings with the senior management of the Company and its subsidiaries and associated companies, at which operational issues and financial performance are evaluated.

The Company views well-developed and timely reporting systems and internal controls are essential, and the Board of Directors plays a key role in the implementation and monitoring of internal financial controls.

每名獨立非執行董事均已根據上市規則第3.13條確認其獨立於本公司，而本公司亦認為彼等確屬獨立人士。

本公司已採納上市規則附錄十所載之《標準守則》作為董事進行證券交易之操守守則（「標準守則」）。本公司經向全體董事作出特定查詢後確認，彼等於年內均全面遵守《標準守則》之規定。

董事會成員之間並不存有任何關係（包括財務、業務、家屬或其他重大之關係）。

根據本公司之組織章程細則，在職董事須最少每三年於股東週年大會上輪值告退一次，並符合資格膺選連任。

根據守則條文第A.4.1條，非執行董事應有特定委任年期，並須膺選連任。本公司或其附屬公司並無與非執行董事訂立或擬訂立任何服務合約。因此，非執行董事並無特定委任年期，惟須最少每三年輪值告退一次。因此，董事會認為本公司已具備足夠措施達至守則條文第A.4.1條之目的。

職能

董事會由主席領導，負責根據規管董事會會議之規則、董事總經理工作指引、組織章程細則及規管股東大會之規則訂定及批准本集團之發展及業務策略及政策、批准週年預算及業務計劃、建議股息，以及監督管理層。

執行董事負責本公司營運之日常管理。執行董事與本公司及其附屬公司及聯營公司之高級管理層定期舉行會議，會上評估經營事宜及財務表現。

本公司認為發展成熟及適時之申報制度及內部監控為基本所需，而董事會在實行及監控內部財務監控方面扮演重要角色。

The Board of Directors has established procedure to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses.

The articles of association of the Company contain description of responsibilities and operation procedures of the Board of Directors. The Board of Directors holds regular meeting and listens to the operating reports of the Company and makes policies. Significant operating policies of the Company have to be discussed and passed by the Board of Directors. Board meetings include regular meetings and irregular meetings. The Board of Directors meets formally at least 4 times a year.

Besides regular and irregular meetings, the Board of Directors obtains adequate information through working meetings, presided by the Chairman in a timely manner, to monitor objectives and strategies of the management, financial conditions and operating results of the Company and provisions of significant agreements.

For the financial year ended 31st March 2006, the Board of Directors held 4 regular Board meetings at approximately quarterly interval and 17 irregular Board meeting(s) which was/were convened when deemed necessary. Due notice and Board papers were given to all directors prior to the meeting in accordance with the Company's articles of association and the Code. Details of individual attendance of directors are set out below:

Attendance of individual directors at Board meetings during the year

Total number of meetings

會議總數

21

Attendance

出席情況

Name of directors

董事姓名

Executive Directors

執行董事

Mr. Li Kwok Cheung, George

李國祥先生

21

Mr. Cheng Wai Lun, Andrew

鄭偉倫先生

21

Dr. Wong Yun Kuen

黃潤權博士

19

Independent Non-executive Directors

獨立非執行董事

Mr. Wong Wai Kwong, David

黃偉光先生

3

Dr. Lewis Hung Fung

馮振雄醫生

1

Mr. Ip Man Tin, David

葉漫天先生

2

董事會已訂有程序，讓董事按合理要求，可在適當之情況下尋求獨立專業意見，費用由本公司支付。

本公司組織章程細則載有董事會責任及運作程序之描述。董事會定期舉行會議，聽取本公司之營運報告，並制定政策。本公司之重大經營政策須經董事會討論及通過。董事會會議包括定期會議及不定期會議。董事會每年召開至少四次正式會議。

除定期及不定期會議外，董事會亦透過由主席適時主持之工作會議取得足夠資料，以監控管理層目標及策略、本公司財務狀況及經營業績，以及重大合約之條文。

於截至二零零六年三月三十一日止財政年度，董事會曾舉行四次定期董事會會議，大約每季一次，另亦曾舉行十七次不定期董事會會議，乃於認為有需要時召開。適當通知及董事會文件已根據本公司組織章程細則及守則在會議前送交全體董事。各董事之出席詳情載列如下：

各董事於年內在董事會會議之出席情況

Chairman and Managing Director

The roles of the Chairman and the Managing Director are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is responsible for the leadership and effective running of the Board. The Chairman is also responsible for deciding the agenda of each Board meeting, taking into account, where appropriate, matters proposed by other directors for inclusion in the agenda.

The Managing Director is delegated with the authorities to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation.

The number of independent non-executive directors equals to half of the Board membership. The Board membership is covered by professionally qualified and widely experienced personnel so as to bring in valuable contribution and different professional advices and consultancy for the development of the Company.

Responsibilities

In the course of discharging their duties, the directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include:

- Regular board meetings focusing on business strategy, operational issues and financial performance.
- Active participation on the boards of subsidiaries and associated companies.
- Approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities.
- Monitoring the quality, timeliness, relevance and reliability of internal and external reporting.
- Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transaction.
- Ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

主席及董事總經理

主席及董事總經理之角色應分開，應由彼此間並無關係之兩名獨立人士擔任，以達到平衡權力及職權，致使工作職責不會集中於任何一人。

董事會主席負責領導及有效管理董事會。主席亦負責釐定每次董事會會議之議程，並考慮將其他董事提出之事務(如適當)包含於議程內。

董事總經理獲授予職權以有效方式管理本集團業務之各方面事務、執行重要策略、作出日常決定及協調整體業務運作。

獨立非執行董事之人數佔董事會成員一半。董事會成員包括具有專業資格及豐富經驗之人士，藉以為本公司帶來寶貴之貢獻，以及就本公司之發展提供各類專業建議及意見。

職責

在履行職責之過程中，董事真誠地、竭盡所能及謹慎，及以本公司及其股東之最佳利益行事。其責任包括：

- 定期召開董事會會議，專注於業務策略、營運事宜及財務表現。
- 積極參與附屬公司及聯營公司之董事會。
- 為每家經營公司審批週年預算，涵蓋策略、財務及業務表現、主要風險及機會。
- 監察內部及外部報告之素質、適時性、相關性及可靠性。
- 監察及管理管理層、董事會成員與股東之間可能出現之利益衝突，包括誤用企業資產及濫用關聯方交易。
- 確保訂有程序維持本公司之整體行事持正，包括財務報表，與供應商、客戶及其他股權持有人之關係，以及遵守所有法例及操守規定。

To enable the Company's directors to meet their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

Board Committees

A number of Board Committees, including Audit Committee and Remuneration Committee, have been established by the Board of Directors to strengthen its functions and to enhance its expertise. These committees have been formed with specific written terms of reference which deal clearly with the committees authority and duties.

Remuneration Committee

The Board has established a Remuneration Committee comprising one executive director, Mr. Li Kwok Cheung, George and three independent Non-Executive Directors, Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David. It is chaired by Mr. Wong Wai Kwong, David.

The terms of reference of the Remuneration Committee have been reviewed with reference to the Corporate Governance Code.

The Remuneration Committee's responsibilities are to review and consider Company's policy for remuneration of directors and senior management, to determine remuneration packages of executive directors and senior management including benefits in kind, pension rights and compensation payments, and to recommend to the Board of Directors remuneration of independent non-executive directors.

Set out below is the summary of work of the Remuneration Committee done in 2006:

- to review the remuneration policy for 2005/2006;
- to review the remuneration of the executive directors and the independent non-executive directors; and
- to review the annual share option policy.

The Remuneration Committee held one meeting during the year. Details of individual attendance of its members are set out in the table below:-

為讓本公司董事可履行彼等之義務，現已有合適之組織架構，清楚界定責任及權限。

董事委員會

董事會已設立多個董事委員會，包括審核委員會及薪酬委員會，以加強其職能及提升其專業能力。該等委員會經已設立，其特定之職權範圍已清楚說明委員會之權限及職責。

薪酬委員會

董事會已成立薪酬委員會，由一名執行董事李國祥先生及三名獨立非執行董事黃偉光先生、馮振雄醫生及葉漫天先生組成，並由黃偉光先生擔任主席。

薪酬委員會之權責範圍已參考企業管治守則進行檢討。

薪酬委員會之主要責任為檢討及考慮本公司有關董事及高級管理層薪酬之政策，決定執行董事及高級管理層之薪酬組合（包括實物利益、退休金權利及補償付款），以及向董事會推薦獨立非執行董事之薪酬。

以下列載薪酬委員會於二零零六年之工作概要：

- 檢討二零零五／二零零六年度之薪酬政策；
- 檢討執行董事及獨立非執行董事之薪酬；及
- 檢討年度購股權政策。

年內，薪酬委員會曾舉行一次會議。各成員之出席詳情載於下表：-

Attendance of individual members of Remuneration Committee for the year

薪酬委員會各成員於年內之出席情況

Total number of meetings	會議總數	1
Attendance	出席情況	
Name of directors	董事姓名	
Executive Director	執行董事	
Mr. Li Kwok Cheung, George	李國祥先生	1
Independent Non-executive Directors	獨立非執行董事	
Mr. Wong Wai Kwong, David	黃偉光先生	1
Dr. Lewis Hung Fung	馮振雄醫生	1
Mr. Ip Man Tin, David	葉漫天先生	0

Audit Committee

The Company's Audit Committee is composed of three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David. It is chaired by Mr. Wong Wai Kwong, David. It reports directly to the Board of Directors and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditors to discuss audit process and accounting issues, and reviews effectiveness of internal controls and risk evaluation. Written terms of reference, which describes the authority and duties of the Audit Committee are regularly reviewed and updated by the Board.

Set out below is the summary of work done during the year:

- to review the financial statements for the year ended 31st March, 2005 and for the six months ended 30th September, 2005;
- to review effectiveness of the internal control system;
- to review auditors' statutory audit plan and letters of representation; and
- to consider and approve 2005 audit fees and audit work.

審核委員會

本公司審核委員會成員包括三名獨立非執行董事，即黃偉光先生、馮振雄醫生及葉漫天先生，由黃偉光先生擔任主席。審核委員會直接向董事會匯報，並檢討審核範圍以內之事宜，例如財務報表及內部監控，以保障本公司股東之權益。

審核委員會與本公司外聘核數師定期舉行會議，以討論審核程序及會計事宜，並檢討內部監控及風險評估是否有效。其職權範圍描述審核委員會之權限及職責，並由董事會定期檢討及更新。

以下列載於年內之工作概要：

- 審閱截至二零零五年三月三十一日止年度及截至二零零五年九月三十日止六個月之財務報表；
- 檢討內部監控系統是否有效；
- 審閱核數師之法定審核計劃及聲明函件；及
- 考慮及批准二零零五年核數費用及審核工作。

The Audit Committee held two meetings during the year. Details of individual attendance of its members are set out in the table below:

年內，審核委員會曾舉行兩次會議。各成員之出席詳情載於下表：

Attendance of individual members of Audit Committee during the year

審核委員會各成員於年內之出席情況

Total number of meetings	會議總數	2
Attendance	出席情況	
Name of directors	董事姓名	
Independent Non-executive Directors	獨立非執行董事	
Mr. Wong Wai Kwong, David	黃偉光先生	2
Dr. Lewis Hung Fung	馮振雄醫生	2
Mr. Ip Man Tin, David	葉漫天先生	2

Nomination of Directors

The Board of Directors has not established a nomination committee. According to the articles of association of the Company, the Board has the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. In assessing nomination of new directors, the Board has taken into consideration of the nominee's qualification, ability and potential contributions to the Company.

董事提名

董事會尚未設立提名委員會。根據本公司組織章程細則，董事會有權在任何時間並不時委任任何人士出任董事，以填補臨時空缺或加盟董事會。在評估新董事提名時，董事會已考慮到獲提名人之資格、能力及可能對本公司作出之貢獻。

External Auditors

During the year and up to the date of this report, the remuneration paid to the Group's former external auditors, Chu and Chu Certified Public Accountants ("Chu and Chu"), and its existing external auditors, Li, Tang, Chen & Co. Certified Public Accountants ("Li, Tang, Chen & Co."), are set out as follows:

外聘核數師

年內及直至本報告日期，本集團已付前外聘核數師永正會計師事務所（「永正會計師事務所」）及現任外聘核數師李湯陳會計師事務所（「李湯陳會計師事務所」）之酬金載列如下：

Services rendered for the Group		Fees paid to Chu and Chu	Fees payable to Li, Tang, Chen & Co.
向本集團提供之服務		已付永正 會計師事務所之費用	應付李湯陳 會計師事務所之費用
		HK\$ 港元	HK\$ 港元
Audit services	審計服務	86,000	120,000
Non-audit services	非審計服務	-	-
Total	總計	86,000	120,000

Internal Control

The Company places great importance on internal control and risk management. The Company is making comprehensive improvements to its internal control system and will implement a stricter and more regulated internal control system in the new financial year and disclose the relevant measures to the public in a timely manner.

The Board has established an on-going process for identifying evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders and employees, and the Group's assets.

The investment manager assists the Board in the implementation of the board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Going Concern

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

Shareholder Communication

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for voting by poll has been included in all circulars accompanying notice convening general meeting and has been read out by the chairman at general meeting.

Directors' Responsibility in Preparing the Financial Statements

The Directors acknowledge that it is their responsibilities in preparing the Financial Statements. The Statement of the Auditors about their reporting responsibilities on the Financial Statements is set out in the Auditors' Report on page 25.

內部監控

本公司相當重視內部監控及風險管理。本公司現正對其內部監控系統作出全面改善，將在新財政年度實行更嚴謹監管之內部監控系統，並在適當時候向公眾人士披露有關措施。

董事會已確立既定程序，以確定、評估及管理本集團所面對的重大風險，程序包括當營商環境或規例指引變更時，更新內部監控系統。

董事會認為回顧年內及截至本年報及財務報表刊發日期，現存之內部監控系統穩健，及足以保障股東及員工之利益，及本集團之資產。

投資經理協助董事會推行風險及控制之政策及程序，確定及評估所面對之風險，並參與設計、運作及監察合適之內部監控措施，以減少及控制此等風險。

持續經營

董事經作出適當查詢後認為，本公司擁有足夠資源在可見將來繼續經營，因此，在編製財務報表時採納持續經營基準實屬合適。

與股東之溝通

與股東之溝通旨在向本公司股東提供有關本公司之詳細資料，使彼等能在知情情況下行使彼等身為股東之權利。

本公司使用多種溝通工具，以確保其股東得悉主要業務活動之最新資料，包括股東週年大會、年度報告、各項通告、公告及通函。以投票方式表決之程序已包括在隨附召開股東大會通告之全部通函，並已由股東大會主席讀出。

董事編製財務報表之責任

董事知悉彼等有責任編製財務報表。核數師就彼等對財務報表之申報責任作出之聲明已載於第25頁之核數師報告。