

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain 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 the health 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 amendment to the bye-laws, 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 2006.

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 Directors Mr. Gouw Kar Yiu Carl and Ms. Gouw San Bo Elizabeth and independent non-executive Director Mr. Pang Chun Sing are not appointed on specific terms. Mr. Gouw Kar Yiu Carl and Ms. Gouw San Bo Elizabeth resigned on 9 May 2006 and 15 December 2005 respectively. At a Board meeting held on 15 December 2005, the Board has resolved to fix the appointment of Mr. Pang Chun Sing for a term of two years with retrospective effect from 23 February 2005.

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

According to original 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」）深信，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14所載企業管治常規守則（「守則」）之原則。除下文披露者外及於修訂公司細則後，本公司之董事（「董事」）認為，本公司於截至二零零六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及吳珊寶女士以及獨立非執行董事彭振聲先生均無指定任期。吳家耀先生及吳珊寶女士分別於二零零六年五月九日及二零零五年十二月十五日辭任。於二零零五年十二月十五日舉行之董事會會議上，董事會議決將彭振聲先生之任期定為兩年，追溯自二零零五年二月二十三日起生效。

守則條文第A.4.2條

本守則規定所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉。每名董事（包括有指定任期的董事）應輪值退任，至少每三年一次。

根據原有公司細則第99條，本公司主席與董事總經理毋須輪值告退。

根據原有公司細則第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，任期僅至下屆股東週年大會為止。

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，獲委任填補臨時空缺之董事須於彼獲委任後首次股東大會接受股東推選，並合資格於該大會膺選連任。

CORPORATE GOVERNANCE PRACTICES (Continued)

Code Provision A.5.4

This Code stipulates that directors must comply with their obligations under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") and the Board should establish written guidelines for relevant employees in respect of their dealings in the securities of the issuer.

At a Board meeting held on 6 October 2005, the Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions and a written guideline on employees' right to deal in the Company's securities.

Code Provision B.1.1

This Code stipulates that the Company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties.

On 23 September 2005, the Company has appointed Mr. Pang Chun Sing (Chairman of the committee), Mr. Chan Chun Wai, Mr. Wong Miu Sung and Mr. Chan Wai Ming as members of the remuneration committee of the Company. At a Board meeting held on 6 October 2005, the Company has adopted written terms of reference of the remuneration committee of the Company.

Code Provision C.3.3

This Code stipulates that the terms of reference of the audit committee should include all duties as stated in such Code Provision.

At a Board meeting held on 6 October 2005, the Company has updated the terms of reference of the audit committee of the Company ("Audit Committee") which include all duties as stated in such Code Provision.

Code Provision E.1.2

This Code stipulates that the chairman of the Board should attend the annual general meeting of the Company.

At the time of holding of the annual general meeting on 29 August 2005, the Company has not appointed any chairman of the Board. Mr. Loo Chung Keung Steve was appointed as chairman of the Board on 23 September 2005 and resigned from the position of chairman on 9 May 2006. The current chairman of the Board, Mr. Ryoji Furukawa was appointed on 9 May 2006. The chairman of the Board should attend the annual general meeting of the Company unless any exceptional circumstances occur.

企業管治常規 (續)

守則條文第A.5.4條

本守則規定董事必須遵守上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)項下責任,而董事會亦應就有關僱員買賣發行人證券事宜設定書面指引。

於二零零五年十月六日舉行之董事會會議上,本公司已採納標準守則為其本身有關董事進行證券交易的操守準則,並就僱員買賣本公司證券之權利制定書面指引。

守則條文第B.1.1條

本守則規定本公司書面須成立薪酬委員會,並書面訂明職權範圍,清楚列明其權力及職責。

於二零零五年九月二十三日,本公司委任彭振聲先生(委員會主席)、陳振威先生、黃妙送先生及陳偉明先生為本公司薪酬委員會成員。於二零零五年十月六日舉行之董事會會議上,本公司已採納其薪酬委員會之書面職權範圍。

守則條文第C.3.3條

本守則規定審核委員會之職權範圍須包括有關守則條文所訂明之一切職責。

於二零零五年十月六日舉行之董事會會議上,本公司已更新本公司審核委員會(「審核委員會」)之書面職權範圍,當中涵蓋有關守則條文所訂明之一切職責。

守則條文第E.1.2條

本守則規定董事會主席須出席本公司股東週年大會。

於二零零五年八月二十九日舉行股東週年大會時,本公司尚未委任董事會主席。盧重強先生於二零零五年九月二十三日獲委任為董事會主席,其後於二零零六年五月九日辭任主席職位,現任董事會主席古川令治先生於二零零六年五月九日獲委任。除非發生特殊情況,否則,董事會主席須出席本公司股東週年大會。

BOARD OF DIRECTORS

As at 31 March 2006, the composition of the Board was as follows:

Executive Directors

執行董事

Mr. Loo Chung Keung Steve
盧重強先生
Mr. Chan Wai Ming
陳偉明先生
Mr. Sun Yeung Yeung
孫揚陽先生
Mr. Zu Yuan
祖員先生

Non-executive Directors

非執行董事

Mr. Gouw Kar Yiu Carl
吳家耀先生
Mr. Tung Tat Chiu Michael
佟達釗先生
Mr. Chak Chi Man
翟志文先生

董事會

於二零零六年三月三十一日，董事會之組成如下：

Independent non-executive Directors

獨立非執行董事

Mr. Pang Chun Sing
彭振聲先生
Mr. Chan Chun Wai
陳振威先生
Mr. Wong Miu Sung
黃妙送先生

Mr. Zu Yuan and Mr. Gouw Kar Yiu Carl resigned on 9 May 2006.

祖員先生及吳家耀先生於二零零六年五月九日辭任。

As at 31 March 2006, Mr. Loo Chung Keung Steve, the then Chairman of the Company and Mr. Chan Wai Ming, the Chief Executive Officer and the then Deputy Chairman of the Company are the directors and shareholders of Star Metro Investments Limited, a substantial shareholder of the Company. Mr. Sun Yeung Yeung and Mr. Chak Chi Man are employees of CITIC International Assets Management Limited, a substantial shareholder of the Company.

於二零零六年三月三十一日，本公司當時主席盧重強先生及行政總裁兼本公司當時副主席陳偉明先生均為本公司主要股東 Star Metro Investments Limited 之董事兼股東。孫揚陽先生及翟志文先生均為本公司主要股東中信國際資產管理有限公司僱員。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

The Board held 21 meetings during the year ended 31 March 2006. The attendance record of each member of the Board is set out below:

董事會 (續)

截至二零零六年三月三十一日止年度，董事會曾舉行21次會議。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	Attendance Rate 出席率
<i>Executive Directors</i>			
Mr. Loo Chung Keung Steve	盧重強先生	20/21	95%
Mr. Chan Wai Ming	陳偉明先生	20/21	95%
Mr. Sun Yeung Yeung	孫揚陽先生	10/21	48%
Mr. Zu Yuan (Note 1)	祖員先生 (附註1)	3/5	60%
Ms. Tin Yuen Sin Carol (Note 2)	田琬善女士 (附註2)	0/11	0%
<i>Non-executive Directors</i>			
Mr. Gouw Kar Yiu Carl	吳家耀先生	10/21	48%
Mr. Tung Tat Chiu Michael	佟達釗先生	8/21	38%
Mr. Chak Chi Man (Note 3)	翟志文先生 (附註3)	6/9	66%
Ms. Gouw San Bo Elizabeth (Note 4)	吳珊寶女士 (附註4)	0/16	0%
<i>Independent non-executive Directors</i>			
Mr. Pang Chun Sing	彭振聲先生	13/21	62%
Mr. Chan Chun Wai	陳振威先生	8/21	38%
Mr. Wong Miu Sung (Note 5)	黃妙送先生 (附註5)	11/18	61%
Mr. Tsang Pak Chung Eddy (Note 6)	曾百中先生 (附註6)	0/3	0%

Notes:

- Mr. Zu Yuan was appointed as a Director on 15 December 2005 and resigned on 9 May 2006.
- Ms. Tin Yuen Sin Carol resigned on 25 October 2005.
- Mr. Chak Chi Man was appointed as a Director on 25 October 2005.
- Ms. Gouw San Bo Elizabeth resigned on 15 December 2005.
- Mr. Wong Miu Sung was appointed on 10 May 2005.
- Mr. Tsang Pak Chung Eddy resigned on 10 May 2005.

附註:

- 祖員先生於二零零五年十二月十五日獲委任為董事，其後於二零零六年五月九日辭任。
- 田琬善女士於二零零五年十月二十五日辭任。
- 翟志文先生於二零零五年十月二十五日獲委任為董事。
- 吳珊寶女士於二零零五年十二月十五日辭任。
- 黃妙送先生於二零零五年五月十日獲委任。
- 曾百中先生於二零零五年五月十日辭任。

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。

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 operation of the Company.

Mr. Loo Chung Keung Steve was the Chairman of the Company from 23 September 2005 to 9 May 2006. Mr. Loo was appointed as Managing Director of the Company on 9 May 2006.

Mr. Chan Wai Ming was the Deputy Chairman of the Company from 23 September 2005 to 9 May 2006. Mr. Chan Wai Ming was appointed as the Chief Executive Officer of the Company on 23 September 2005.

Mr. Ryoji Furukawa was appointed as a non-executive Director and the Chairman of the Company on 9 May 2006.

Mr. Yip Chi Chiu was appointed as an executive Director and the Deputy Chairman of the Company on 9 May 2006.

Mr. Ryoji Furukawa and Mr. Yip Chi Chiu are directors of Asset Managers Co., Ltd., a substantial shareholder of the Company, and/or its group companies, details of which are set out in the section headed "Directors' Biographies" of the "Directors' Report".

NON-EXECUTIVE DIRECTORS

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions.

Following specific enquiry made with the Directors, the Company confirmed that each of the Directors has complied with the required standard set out in the Model Code regarding Directors' securities transactions.

REMUNERATION OF DIRECTORS

The remuneration committee of the Company (the "Remuneration Committee") comprises three independent non-executive Directors, namely Mr. Pang Chun Sing (Chairman of the Remuneration Committee), Mr. Chan Chun Wai and Mr. Wong Miu Sung 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.

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營運。

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，並於二零零六年五月九日獲委任為本公司董事總經理。

陳偉明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副主席，並於二零零五年九月二十三日獲委任為本公司行政總裁。

古川令治先生於二零零六年五月九日獲委任為本公司非執行董事兼主席。

葉志釗先生於二零零六年五月九日獲委任為本公司執行董事兼副主席。

古川令治先生及葉志釗先生均為本公司主要股東 Asset Managers Co., Ltd. 及／或其集團公司之董事，彼等之詳細資料載於「董事會報告書」「董事資料簡介」一節。

非執行董事

除本報告「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。

董事進行證券交易

本公司已採納標準守則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，本公司確認，各董事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。

董事酬金

本公司薪酬委員會（「薪酬委員會」）由三名獨立非執行董事彭振聲先生（薪酬委員會主席）、陳振威先生及黃妙送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。

REMUNERATION OF DIRECTORS (Continued)

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.

The Remuneration Committee held one meeting 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	Attendance Rate 出席率
Mr. Pang Chun Sing	彭振聲先生	1/1	100%
Mr. Chan Chun Wai	陳振威先生	1/1	100%
Mr. Wong Miu Sung	黃妙送先生	1/1	100%
Mr. Chan Wai Ming	陳偉明先生	1/1	100%

The Remuneration Committee performed 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.

NOMINATION OF DIRECTORS

The Company has not established a nomination committee. The roles and functions of the nomination committee are performed by the Board.

AUDITORS' REMUNERATION

For the year ended 31 March 2006, the auditors of the Company received approximately HK\$300,000 for audit services and HK\$125,000 for tax and other services.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Pang Chun Sing (Chairman of the Audit Committee), Mr. Chan Chun Wai and Mr. Wong Miu Sung and the qualified accountant and company secretary of the Company, Mr. Kam Yiu Shing Tony.

Written Terms of Reference of Audit Committee have been adopted by the Board.

董事酬金 (續)

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向釐定之表現掛鈎薪酬。

薪酬委員會於年內曾舉行一次會議，個別成員之出席記錄載列如下：

Meetings Attended/Held 出席／舉行會議數目	Attendance Rate 出席率
1/1	100%
1/1	100%
1/1	100%
1/1	100%

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。

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。

核數師酬金

截至二零零六年三月三十一日止年度，本公司核數師就審核服務及稅務與其他服務分別收取約300,000港元及125,000港元。

審核委員會

本公司審核委員會（「審核委員會」）由三名獨立非執行董事彭振聲先生（審核委員會主席）、陳振威先生及黃妙送先生以及本公司合資格會計師兼公司秘書甘耀成先生組成。

審核委員會之書面職權範圍已獲董事會採納。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (Continued)

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	Meetings Attended/Held 出席／舉行會議數目	Attendance Rate 出席率
Mr. Pang Chun Sing	彭振聲先生	2/2	100%
Mr. Chan Chun Wai	陳振威先生	2/2	100%
Mr. Wong Miu Sung	黃妙送先生	2/2	100%
Mr. Kam Yiu Shing Tony	甘耀成先生	2/2	100%

The Audit Committee performed the following work during the year:

- reviewed the annual results for the year ended 31 March 2005 and the interim results for the six months ended 30 September 2005, the announcements in relation thereto 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.

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 34 and 35.

INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control. The Board has conducted a review of, and is satisfied with the effectiveness of the system of internal controls of the Group.

審核委員會 (續)

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提，向董事會作出推薦意見；審閱及監控外聘核數師之獨立身分及審核程序之效益；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	Attendance Rate 出席率
2/2	100%
2/2	100%
2/2	100%
2/2	100%

審核委員會於年內曾進行以下工作：

- 審閱截至二零零五年三月三十一日止年度之全年業績及截至二零零五年九月三十日止六個月之中期業績，有關公佈及年報與中期報告。
- 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。

財務報告

董事承認其編製本集團賬目的責任。本公司核數師就本集團財務報表之申報責任聲明載於第34及35頁之核數師報告書內。

內部監控

董事會整體負責本集團之內部監控系統。董事會曾審閱，並滿意本集團內部監控系統之效能。