

Corporate governance

The Board of Directors of the Upbest Group Limited (the “Company”) (the “Board”) is committed to maintain high standards of corporate governance practices, in which are crucial to the smooth, effective and transparent operation of the Company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. In November 2004, the Stock Exchange introduced the Code on Corporate Governance Practices (“the Code”) in replacement and enhancement of the Code of Best Practice in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”). The Code has become effective from 1st January 2005 and the Group has followed the Code provisions throughout the period.

Throughout the year ended 31st March 2006, the Company has complied with the Code with exception. Code provision A.4.1 provides that 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.

Throughout the financial year, the Company has consistently adopted a code of conduct regarding Directors’ securities transactions in accordance with Appendix 10 of the Listing Rules and that directors of the Company has complied with this code of conduct.

Corporate governance structure

With the assistance of the Compliance Department, the Board has designed a proper corporate governance structure. Currently, there are four board committees, including Audit Committee, Credit 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, and Credit Committee oversees the granting of credit facilities.

企業管治

美建集團有限公司(「本公司」)董事會(「董事會」)致力維持高水平之企業管治常規，對本公司平穩、有效及具透明度之營運及吸引投資、保障股東及權益持有人之權益以及提升股東價值之能力最為重要。於二零零四年十一月，聯交所引進企業管治常規守則(「守則」)以取代及加強香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四之最佳應用守則。守則已於二零零五年一月一日生效，本集團於期內均遵守守則之條文規定。

於截至二零零六年三月三十一日止年度期間，除特殊情況外，本公司一直遵守守則之規定。守則條文第A.4.1條規定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。

於財政年度期間，本公司貫徹採納上市規則附錄10有關董事進行證券交易之操守守則，而本公司董事亦一直遵守此項操守守則之規定。

企業管治架構

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，本公司有四個董事委員會，包括審核委員會、信貸委員會、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，而信貸委員會則監管信貸額之批核。

Board Composition, Function and Practices

The Board comprises of the chairman (non-executive director), four executive directors and three independent non-executive directors. Mr. Wong King Keung, Peter acts as chairman (“Chairman”) and non-executive of the Board, whereas Mr. Cheng Kai Ming, Charles is the managing director (“Managing Director”) and executive director of the Company. Other executive directors are Mr. Wong Ching Hung, Thomas, Mr. Li Kwok Cheung, George and Ms. Cheng Wai Ling, Annie. There are three independent non-executive directors, Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai and Mr. Wong Wai Kwong, David has appropriate professional accounting experience and expertise. All directors are subject to election by shareholders at the first General Meeting after their appointment and are subject to retirement by rotation at least once every three years and eligible for re-election in accordance with the Company’s Articles and Association and at least one-third of the Board is represented by independent non-executive directors.

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 10 to 12 of this Annual Report.

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. There is no relationship (including financial, business, family or other material relationship) among members of the Board except that Mr. Cheng Kai Ming, Charles is the father of Ms. Cheng Wai Ling, Annie.

The Board, 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, overseeing the Group’s compliance with statutory and regulatory obligations, scrutinizing the performance of the Group in achieving agreed corporate goals and objectives, financial reporting and ensuring proper internal control, risk management have been implemented, recommendation of dividend, and supervision of management in accordance with the rules governing the meeting of the Board, 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.

董事會成員、職能及實務

董事會由主席（非執行董事）、四名執行董事及三名非執行董事組成。黃景強先生為董事會主席（「主席」）兼非執行董事，而鄭啟明先生為本公司董事總經理（「董事總經理」）兼執行董事。其他執行董事分別為黃正虹先生、李國祥先生及鄭偉玲小姐。本公司共有三名獨立非執行董事，分別為黃偉光先生、彭張興先生及霍浩佳先生，而黃偉光先生具有合適之專業會計經驗及專業知識。全體董事須於獲委任後首個股東大會上由股東選舉，並須根據本公司之組織章程細則最少每三年輪值告退一次，並符合資格膺選連任，而董事會中最少三分之一之成員須為獨立非執行董事。

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10頁至第12頁披露。

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。除鄭啟明先生為鄭偉玲小姐之父親外，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）。

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、監督本集團遵守法定及規管義務、監察本集團於達至議定企業目標及目的之表現、財務申報及確保合適內部監控、實行風險管理、建議股息及監督管理層。

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。

Full Board meeting is held no less than four times a year. Apart from the regular Board meetings, the Chairman shall hold meetings with the non-executive directors (including independent non-executive directors) without the presence of executive directors at least once every year.

In respect of regular board meetings, an agenda and accompanying board papers are sent in full to all directors in a timely manner and at least three days before the intended date of a board or board committee meeting. Adequate information related to the issues are also supplied for the board and its committee to make decisions which is for the best interests of the Group. Notice of at least fourteen days are given to give all directors an opportunity to attend. The directors who cannot attend in person might through other electronic means of communications to participate.

During the financial year ended 31st March 2006, the Board held 4 regular Board meetings at approximately quarterly interval and 2 irregular Board meeting(s) which 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. Board and the respective Board meeting(s) held during the period and attendance of the individual directors are as follows:

本公司每年舉行不少於四次之全體董事會會議。除定期召開之董事會會議外，主席與非執行董事(包括獨立非執行董事)至少每年一次在執行董事並不出席之情況下舉行會議。

就定期召開之董事會會議而言，會議議程及隨附有關之董事會文件均於適時(即於董事會會議或董事委員會會議擬定舉行日期前最少三天)送達全體董事。董事會及其委員會已就該等議題獲提供充份資料，以決定是否符合本集團之最佳利益。通告應於會議日期前最少十四日送交全體董事，讓全體董事均可抽空出席。未能親身出席之董事可透過其他電子通訊方式參與會議。

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，另亦曾舉行兩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。於期內所召開之董事會會議及各董事委員會會議以及各董事之出席情況如下：

Attendance/Number of Meetings held

出席情況/召開會議數目

Name of directors	Board Meeting	Audit Remuneration			
		Executive Committee Meeting	Committee Meeting	Committee Meeting	
董事姓名	董事會會議	執行委員會會議	審核委員會會議	薪酬委員會會議	
Total number of meetings	會議總數	6	7	2	1
Non-executive Director and Chairman Dr. Wong King Keung, Peter	非執行董事及主席 黃景強博士	6	N/A 不適用	N/A 不適用	N/A 不適用
Managing Director Mr. Cheng Kai Ming, Charles	董事總經理 鄭啟明先生	6	7	N/A 不適用	1
Executive Directors Mr. Wong Ching Hung, Thomas Mr. Li Kwok Cheung, George	非執行董事 黃正虹先生 李國祥先生	6 6	6 7	N/A 不適用 N/A 不適用	N/A 不適用 N/A 不適用
Independent Non-executive Directors Mr. Wong Wai Kwong, David Mr. Pang Cheung Hing, Alex Mr. Fuk Ho Kai	獨立非執行董事 黃偉光先生 彭張興先生 霍浩佳先生	6 6 5	N/A 不適用 N/A 不適用 N/A 不適用	2 2 2	1 1 1

Independent Professional Advice

The Company has set up a procedure agreed by the Board for its directors to seek independent professional advice in appropriate circumstances, and at the Company's expense to discharge their duties to the Company.

Chairman and Managing Director

The roles of the Chairman is separate from that of the Managing Director and their responsibilities are clearly established. The Chairman and Managing Director of the Company are Dr. Wong King Keung, Peter and Mr. Cheng Kai Ming, Charles respectively. The Chairman is responsible for providing leadership to the Board to ensure the Board will act in the best interests of the Group.

The Managing Director will work with executive committee (including head of each department) and other executive directors to manage the businesses of the Group. The Managing Director is responsible for the day-to-day management of the business of the Group, attends to formulation and successful implementation of policies, and assumes full accountability to the Board for all operations of the Group.

The number of independent non-executive directors is over one third of the Board membership. Two of the independent non-executive directors, namely Mr. Wong Wai Kwong, David and Mr. Pang Cheung Hing, Alex have the appropriate professional accounting experiences and expertise. The Board membership is covered by professionally qualified and widely experienced personnel so as to bringing in valuable contribution and different professional advices and consultancy for the development of the Company. Over one-half of the Board members have recognised professional securities and accounting qualifications.

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.

獨立專業意見

本公司與董事會已協議制定程序，各董事可在適當情況下尋求獨立專業意見以履行彼等於本公司之職責，有關費用由本公司支付。

主席及董事總經理

主席與董事總經理之角色互有區分，彼等之職責已明確訂定。本公司之主席及董事總經理分別為黃景強博士及鄭啟明先生。主席負責領導董事會，確保董事會以本集團之最佳利益行事。

董事總經理將與執行委員會（包括各部門主管）及其他執行董事合作管理本集團之業務。董事總經理負責本集團業務之日常管理、處理政策之制定及成功實行，並就本集團一切營運對董事會承擔全部問責責任。

獨立非執行董事之人數超過董事會成員之三分之一。兩名獨立非執行董事黃偉光先生及彭張興先生均具備適當之專業會計經驗及專業知識。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。逾一半董事會成員擁有認可專業證券及會計資格。

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的最佳利益行事。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。

CORPORATE GOVERNANCE REPORT

- 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.
- 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.

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。

Board Committees

A number of Board Committees, including Audit Committee, Credit Committee, Executive Committee and Remuneration Committee, have been established by the Board 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.

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、信貸委員會、執行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。

Audit Committee

The Company has established an audit committee according to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. In accordance with the requirements of the Code, the terms of reference of the Audit Committee was revised and approved on 18th July, 2005 to comply with the provisions set out in the Code. The primary duties of the audit committee are to review and supervise the financial reporting system and internal control procedures, review of the relationship with the auditors and financial information of the Group. The revised terms of reference, explaining its role and the authority delegated to it by the Board are available for inspection on request at the Company's registered office.

審核委員會

本公司已根據香港會計師公會頒佈之「成立審核委員會指引」成立審核委員會。根據守則之規定，審核委員會之職權範圍已於二零零五年七月十八日修訂及獲批准，以符合守則所載之條文規定。審核委員會之主要職責為審閱並監管本集團之財務申報程序及內部監控程序、審閱與核數師之關係及本集團之財務資料。職權範圍之修訂條款、其職責之闡釋及董事會賦予之權力於本公司之註冊辦事處可供查閱。

The audit committee of the Company is composed of three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai. It is chaired by Mr. Wong Wai Kwong, David. It reports directly to the Board and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

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、彭張興先生及霍浩佳先生，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。

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 and regularly reviewed and updated by the Board.

Set out below is the summary of work done in financial year 2005/2006:-

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

The Audit Committee held 2 meetings during the year. Details of individual attendance of its members are set out in the table above.

Credit Committee

A credit committee composed of two Directors and two senior management is responsible for overseeing the granting of credit facilities. Daily operation of money lending will be guided by the stringent procedures as prescribed by the internal control manual. The Committee meets weekly and ad-hoc meetings will be held when market and economic conditions changes significantly.

Executive Committee

The Committee is composed of the Group Managing Director, the CEO and the heads of each departments of the Group. The Committee manages the day-to-day business of the Group and meets regularly to resolve problems, make decisions on business matters to achieve corporate goals and objectives.

Internal Control

The Board is responsible for maintaining sound and effective internal control of the Group. The directors shall conduct a review on the effectiveness of the system of internal control of the Company and its subsidiaries at least annually including financial, operational and compliance controls and risk management functions with the assistance of compliance department to ensure.

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。

以下列載於二零零五年/二零零六年財政年度之工作概要：

- 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。

年內，審核委員會曾舉行兩次會議。各成員之出席詳情已載於上文。

信貸委員會

信貸委員會由兩名董事及兩名高級管理層組成，負責監督信貸額之批核情況。貨幣借貸之日常營運將根據內部監控手冊所述之嚴謹程序指引執行。委員會每個星期舉行會議，若市場及經濟狀況出現重大變動，則會召開臨時會議。

執行委員會

委員會由集團董事總經理、行政總裁及本集團各部門主管組成。委員會負責管理本集團之日常業務，並定期舉行會議以解決問題及作出業務決定以達致企業目標及目的。

內部監控

董事會有責任為本集團維持穩健及有效之內部監控系統。董事須最少每年檢討本公司及其附屬公司內部監控系統之效率，包括財務、營運及合規監控及風險管理功能，並獲規章部門協助確認。

The Group forms a well-established organisation structure and comprehensive policies and standards. Duties of different departments are clearly defined with operating policies and procedures, lines of responsibility are delegated to the appropriate staff with different levels of authorities and are segregated to ensure proper internal control and risk management.

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 key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Executive Committee is established by the Board to ensure the effectiveness of the daily operations and that the operations are in accordance with the corporate objectives and strategies.
- The Audit Committee of the Company reviews internal control issues identified by external auditors, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems.

Policies and procedures have been designed for safeguarding assets against unauthorised use or disposition; maintenance of proper accounting records for the use of reliable information within the business or external publication, and compliance of relevant regulations, rules and legislations. The policies and procedures are designed for providing reasonable but not absolute assurance to avoid fraud, material misstatements or errors.

Finance

The Company's assets were used in an appropriate manner, the expenditures in each of the operating units of the Group were under a strict control, expenditures exceeding certain predetermined amounts needed management's authorisation. Accounting records were properly maintained.

Operation

A hierarchical system with proper work flow and reporting procedures was duly established in each of the operating units. Every employee was assigned with a specific area of duty and responsibility.

Regular meetings with the attendance of senior management and representatives from each of the operating units were held during the year so as to improve communication and identify potential issues within the Group.

本集團已建立一套完善之組織架構及全面之政策及標準。各部門之職責均清楚列明營運政策及程序，合適員工獲授予不同權力水平之權限及區分，以確保擁有合適之內部監控及風險管理。

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。

本集團已確立主要程序以審閱內部監控系統之充足性及完整性，該等程序包括：

- 董事會成立執行委員會，確保日常運作有效率，及根據企業目標及策略營運。
- 本公司之審核委員會審閱外聘核數師、監管機構及管理層所確定之內部監控事項，並評估集團風險管理及內部監控系統之充足性及有效性。

本公司已訂立政策及程序保障資產不會在未經許可下使用及處置；妥當存置會計記錄為業務間或外部刊物提供可靠資料以及遵守有關規例、規則及法規之規定。本公司已訂立政策及程序提供合理而非絕對之保證以防止欺詐、重大誤述或誤差。

財務

本公司妥善運用資產，本集團各營運單位之開支均受嚴緊控制，超過若干預訂金額之開支須經由管理層審批。會計記錄亦已妥善保存。

營運

各營運單位均設有合適工作流程及申報程序之等級體系。各僱員均擁有特定範疇之職能及責任。

年內已定期舉行會議，由高級管理層及各營運單位之代表出席，務求改善本集團內之溝通及物色具發展潛力之事項。

Listing Rules Compliance

Throughout the year, the Group has fully complied with the Listing Rules requirements. Financial reports, announcements and circulars have been prepared and published in accordance with the requirements of the Listing Rules.

Summary Remarks

The Board is satisfied that the prevailing internal control system is adequately in place, and has been implemented by the employees properly. There revealed no significant areas of improvement which are required to be addressed in the forthcoming period.

Remuneration Committee

The Remuneration Committee was set up on 18th July, 2005 and the members comprised of independent non-executive directors, Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex, Mr. Fuk Ho Kai and Managing Director, Mr. Cheng Kai Ming, Charles. Mr. Wong Wai Kwong, David is appointed as chairman of the Remuneration Committee. The Committee shall meet not less than once every year.

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

The principal responsibilities of the Remuneration Committee are to review and consider the 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 remuneration of non-executive directors and independent non-executive directors.

Set out below is the summary of work of the Remuneration Committee done in financial year 2005/2006:-

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

The Remuneration Committee held 1 meeting during the financial year ended 31st March 2006. Details of individual attendance of its members are set out in the table above.

遵守上市規則

年內，本集團全面遵守上市規則之規定。本公司已根據上市規則之規定編製及刊發財務報告、公佈及通函。

短評

董事會認為，本公司現時具有合適之內部監控系統，而僱員亦能妥善應用，因此本公司於未來期間並無需要作出重大改善之事宜。

薪酬委員會

薪酬委員會於二零零五年七月十八日成立，成員包括獨立非執行董事黃偉光先生、彭張興先生、霍浩佳先生及董事總經理鄭啟明先生。黃偉光先生獲委任為薪酬委員會主席。委員會每年舉行最少一次會議。

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），以及向董事會推薦非執行董事及獨立非執行董事之薪酬。

以下列載薪酬委員會於二零零五年/二零零六年財政年度之工作概要：-

- 檢討二零零五／二零零六年度之薪酬政策；
- 檢討執行董事、非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。

於截至二零零六年三月三十一日止財政年度，薪酬委員會曾舉行一次會議。各成員之出席詳情已載於上表。

Nomination of Directors

Ms. Cheng Wai Ling, Annie has been appointed as executive director with effective from 13th July 2006.

The Board has not established a nomination committee. Pursuant 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 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.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by directors. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code throughout the year.

The Company has also established written guidelines regarding securities transaction on no less exacting terms of the Model Code for senior management and specific individual who may have access to price sensitive information in relation to the securities of the Company.

董事提名

鄭偉玲小姐已獲委任為執行董事，並由二零零六年七月十三日起生效。

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，以填補臨時空缺或增加現有董事之名額。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。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」），作為董事進行證券交易之操守指引。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。

本公司亦已就高級管理層及可能接觸到有關本公司證券之股價敏感資料之特定人士訂立有關證券交易之書面指引，其條款比《標準守則》所訂標準更高。

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:

Services rendered for the Group

向本集團提供之服務

Audit services	審計服務
Taxation services	稅務服務
Total	總計

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：

	Fees paid to Chu and Chu 已付永正會計師 事務所之費用 HK\$ 港元	Fees payable to Li, Tang, Chen & Co. 應付李湯陳會計師 事務所之費用 HK\$ 港元
Audit services	294,500.00	300,000.00
Taxation services	11,000.00	17,100.00
Total	305,500.00	317,100.00

Going concern

The Board, having made appropriate enquiries, considers 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.

持續經營

董事會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。

Communication with shareholders

Communications between the Company and its shareholders can be through several means. The shareholders can visit the Company's website at www.upbest.com to learn the general background of the Company and its activities, which enable the general public to have a better understanding of the Group. Extensive and detail information related to the Group's activities and financial data can be retrieved from the annual report and interim report issued. In addition, the annual general meeting provides an opportunity for direct communication between the Board and the Company's shareholders.

與股東之通訊

本公司與其股東可透過多種渠道通訊。股東可瀏覽本公司網頁 www.upbest.com 瞭解本公司及其業務之背景概覽，讓公眾人士可對本集團有更佳認識。有關本集團業務及財務數據之整體及詳盡資料可細閱所刊發之年報及中期報告。此外，股東週年大會可為董事會與本公司股東提供直接溝通之機會。

Directors' responsibility in preparing the financial statements

The Directors acknowledge that it is their responsibilities in preparing the Financial Statements. The Statements of the Auditors about their reporting responsibilities on the Financial Statements is set out in the Auditors' Report on page 32.

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32頁之核數師報告。