

本公司致力維持高水平企業管治。吾等深信，維持良好、穩健及明智的企業管治架構，將確保本公司營運符合其股東整體最佳利益。

於二零零五年一月一日，最佳應用守則被香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「守則」）取代。本公司採納守則內所有守則條文，作為其本身企業管治常規守則。

除有關內部監控之守則條文第C.2條（將於二零零五年一月一日或之後開始之會計期間實行）及下列各項外，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：

1. 根據守則條文第A.2.1條，發行人主席及行政總裁之職責須獨立區分，且不應由同一人出任。主席及行政總裁之職責區分須書面清楚列明。劉錫康先生現時出任本集團之主席兼行政總裁。基於目前業務運作情況與本集團之規模，董事局相信，由劉先生出任本集團之主席與行政總裁乃可接受及符合本集團最佳利益。董事局將定期檢討這情況。
2. 根據守則條文第A.4.2條，每名董事（包括有特定任期者）須最少每三年輪值退任一次。在本公司於二零零五年九月十五日舉行之股東週年大會上，根據當時本公司現有章程細則，部分董事毋須最少每三年輪值退任一次。本公司已在上述股東週年大會修訂其章程細則，列明本公司每名董事（包括有特定任期者）須最少每三年輪值退任一次。因此，於本公司在二零零六年舉行之股東週年大會上，全體董事將須最少每三年輪值退任一次。

The Company is committed to maintaining a high standard of corporate governance. The Company firmly believes that to maintain a good, solid and sensible framework of corporate governance will ensure the Company to run its business in the best interests of its shareholders as a whole.

On 1 January 2005, the Code of Best Practices was replaced by the Code on Corporate Governance Practices ("the Code") contained in Appendix 14 of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The Company adopted all the code provisions in the Code as its own code on corporate governance practice.

The Company has complied during the year ended 31 March 2006 with the Code except code provision C.2 on internal control (which will be implemented for accounting periods commencing on or after 1 January 2005) and the following:

1. Pursuant to code provision A.2.1, the roles of chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Philip Lau Sak Hong is currently the chairman and chief executive officer of the Group. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Lau acting as both the chairman and the Board and also as the chief executive officer of the Group is acceptable and in the best interest of the Group. The Board will review this situation periodically.
2. Pursuant to code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. At the annual general meeting of the Company held on 15 September 2005, in accordance with the then existing bye-laws of the Company, some of the directors are not subject to retirement by rotation at least once every three years. The Company at the said annual general meeting amended its bye-laws to provide that every director of the Company (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, at annual general meeting of the Company in 2006, all directors will be subjected to retirement at least once every three years.

董事局

董事局須以負責有效之方式領導本集團。除遵守任何現行適用法例及規例外，每名董事須絕對真誠地履行彼之職責，並以股東最佳利益行事。董事局職責包括制定本集團策略方向、設定目標及監察本集團表現。

董事局制定專門留待董事局議決及管理層處理之事務議程。董事局會定期審閱相關議程，確保其仍然切合本公司需要。

本公司董事局由三名執行董事、三名獨立非執行董事及一名非執行董事組成。彼等之簡歷載於年報第七頁。

全體獨立非執行董事均獨立於本公司管理層，乃來自不同背景之資深專業人士。彼等確保董事局維持高水平財務及其他強制申報，並具備充分權力制衡，以保障股東及本公司整體利益。

獨立非執行董事及非執行董事各自與本公司訂立委任書，據此，彼等各自獲委任自二零零五年十月一日至二零零七年九月三十日期間向本公司提供服務。任期須於下列較早期限終止：(i) 二零零七年九月三十日；或(ii) 董事基於任何理由根據本公司之章程細則或任何其他適用法例終止出任董事之日。

除了劉錫康先生、劉錫淇先生和劉錫澳先生，如第七頁個人資料中所披露有家族關係外，在董事會中其他成員間並沒有關連。(包括財政、商業、家族或其他重大關連)。

董事局全體成員每年會面不少於四次，以審閱本集團財務及營運表現。董事局將於有需要時額外舉行會議。已於會議舉行前根據上市規則及守則向全體董事發出適當通告及董事局文件。董事局已制定程序，讓董事在作出合理要求後於適當情況下徵求獨立專業意見，費用由本公司承擔。

BOARD OF DIRECTORS

The Board is charged with leading the Group in a responsible and effective manner. Each director has to carry out his/her duties in utmost good faith above and beyond any prevailing applicable laws and regulations and act in the best interests of the shareholders. The duties of the Board include establishing the strategic direction of the Group, setting objectives and monitoring the performance of the Group.

The Board has established schedule of matters specifically reserved to the Board for its decision and those reserved for the management. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Company.

The Board of the Company consists of three executive directors, three independent non-executive directors and one non-executive director. Their brief biographical details are described on page 7 of the Annual Report.

The independent non-executive directors, all of whom are independent of the management of the Company, are highly experienced professionals coming from a diversified background. They ensure that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate check and balance of safeguard the interest of shareholders and the Company as a whole.

Each of the independent non-executive directors and non-executive director has entered into an appointment letter with the Company pursuant to which each of them is appointed for service with the Company from 1 October 2005 to 30 September 2007. The appointment shall terminate on the earlier of (i) 30 September 2007, or (ii) the date on which the director ceases to be director for any reasons pursuant to the bye-laws of the Company or any other applicable laws.

Except for the family relationship of Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy as disclosed in biographical details on page 7 there is no other relationship (including financial, business, family or other material relationship) among the members of the Board.

The full Board meets no less than four times a year to review the financial and operating performance of the Group. Additional board meetings were held when necessary. Due notice and board papers were given to all directors prior to the meeting in accordance with the Listing Rules and the Code. The Board has established procedure to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expenses.

董事局 (續)

於截至二零零六年三月三十一日止財政年度，曾舉行四次董事局例會。每名董事之出席記錄呈列如下。曾舉行三十一次額外董事局會議，執行董事均有出席，以處理本公司日常業務及營運事宜。上述會議處理之所有事務均按照適用法例及規條妥為記錄及存檔。

BOARD OF DIRECTORS (Continued)

There were four regular Board meetings held in the financial year ended 31 March 2006. The attendance record of each director is shown below. Thirty one additional Board meetings were held with the presence of executive directors only to transact the day to day business and operation of Company. All business transacted at the above meetings are well-documented and maintained in accordance with applicable laws and regulations.

董事姓名	Name of director	出席董事局例會次數 No. of regular board meetings attended
劉錫康	Philip Lau Sak Hong	4
劉錫淇	Anthony Lau Sak Kai	4
劉錫澳	Andy Lau Sak Yuk	4
韓相田	Peter Hon Sheung Tin	4
何厚鏘	Norman Ho Hau Chong	3
陳澤仲	Chan Chak Chung	4
卓育賢	Winston Calptor Chuck	3

董事進行證券交易

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的標準守則(「標準守則」)，作為董事進行證券交易的操守守則。

DIRECTORS' SECURITIES TRANSACTIONS

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

本公司向全體董事作出具體查詢，彼等於截至二零零六年三月三十一日止年度一直遵守標準守則。

The Company has made specific enquiry of all directors that they have complied with the Model Code throughout the year ended 31 March 2006.

此外，董事局亦制定書面規條，其條款不寬鬆於本公司高級管理人員買賣本公司證券之標準守則。

In addition, the Board also established written guidelines on no less exacting terms than the Model Code for senior management of the Company in respect of their dealings in the securities of the Company.

董事局委員會

為加強董事局職能及提升其專業知識，已於董事局轄下成立兩個董事局委員會，分別為審核委員會及薪酬委員會，各自履行不同職能。

BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are two Board committees namely, the Audit Committee and Remuneration Committee formed under the Board, with each performing different functions.

審核委員會

本公司已成立審核委員會，由何厚鏘先生主持，並制定職權範圍，以遵照香港會計師公會所頒佈「有效運作審核委員會之準則」（「A Guide for Effective Audit Committees」）所載推薦建議以及上市規則企業管治常規守則所載守則條文。其他成員為韓相田及陳澤仲。

審核委員會每年與高級管理人員及外聘核數師會面不少於兩次。審核委員會之角色及職能包括：審閱本集團所採納會計準則及慣例與其他財務申報事宜；確保本集團財務報告之完整性、準確性及公平性；討論本集團內部監控系統之成效；而最重要的，乃審閱執行董事處理之一切重大事務，特別是關連交易。委員會亦向董事局提供意見及推薦建議，並監管有關外聘核數師之一切事宜，於監察及保障外聘核數師獨立身分方面擔當重要角色。

審核委員會於截至二零零六年三月三十一日止財政年度會面三次。年內所進行工作概述如下：

- 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告；
- 討論內部監控系統成效；
- 審閱核數師法定核數規劃及陳述書；及
- 考慮及批准二零零六年核數費用及核數工作。

每名成員之出席記錄呈列如下。於上述會議處理之所有事務均按照適用法例及規例妥為記錄及存檔。

AUDIT COMMITTEE

The Audit Committee, which is chaired by Mr. Norman Ho Hau Chong, has been established with defined terms of reference in alignment with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code of the Listing Rules. Other members are Peter Hon Sheung Tin and Chan Chak Chung.

The Audit Committee meets no less than twice a year with the senior management and the external auditors. The role and function of the Audit Committee include: to review the accounting principles and practices adopted by the Group and other financial reporting matters, to assure the completeness, accuracy and fairness of the financial statement of the Group, discuss the effectiveness of the systems of internal control throughout the Group and most importantly, and to review all significant business affairs managed by the executive directors in particular on connected transactions. The Committee also provides advice and recommendations to the Board and oversees all matters relating to the external auditors, and it plays an important role in monitoring and safeguarding the independence of external auditors.

The Audit Committee met three times during the financial year ended 31 March 2006. Set out below is the summary of work done during the year:

- to review the financial statements for the year ended 31 March 2005 and for the six months ended 30 September 2005;
- to discuss on the effectiveness of the internal control system;
- to review of the auditors' statutory audit plan and the letters of representation; and
- to consider and approve the 2006 audit fees and audit work.

The attendance record of each member is shown below. All business transacted at the above meetings are well-documented and maintained in accordance with applicable laws and regulations.

審核委員會會員姓名	Name of audit committee member	出席審核委員會會議次數 No. of audit committee meetings attended
何厚鏘	Norman Ho Hau Chong	2
韓相田	Peter Hon Sheung Tin	3
陳澤仲	Chan Chak Chung	3

薪酬委員會

本公司已成立薪酬委員會，由韓相田先生主持，並制定職權範圍成立。其他成員為陳澤仲先生及卓育賢先生。

本公司旨在制定適當薪酬政策，以吸引及留聘本集團成功營運所需行政人員，並激勵行政人員推行適當發展策略，同時評核員工個別表現。薪酬應反映個別員工之表現、職務難度及職責；而薪酬組合之結構將涵蓋薪金、花紅及購股權計劃，為董事及高級管理人員提供獎勵，以提升彼等個別表現。

薪酬委員會之角色及職能包括制定薪酬政策、每年審閱薪酬政策及就此向董事局提供推薦建議，以及釐定執行董事薪酬。

薪酬委員會於年內所進行工作概述如下：

- 審閱二零零五／二零零六年薪酬政策；及
- 審閱執行董事及獨立非執行董事之薪酬。

薪酬委員會於截至二零零六年三月三十一日止財政年度會面一次，韓相田先生及卓育賢先生均出席會議。

其他資料

董事局並無成立提名委員會。根據本公司之章程細則，董事局有權不時及隨時委任任何人士出任董事，以填補臨時空缺或成為董事局新增成員。於評核新董事提名時，董事局將考慮獲提名人士履歷、能力及向本公司作出之潛在貢獻。截至二零零六年三月三十一日止財政年度，董事局成員並無變動。

REMUNERATION COMMITTEE

The Remuneration Committee which is chaired by Mr. Peter Hon Sheung Tin, has been established with defined terms of reference. Other members are Mr. Chan Chak Chung and Mr. Winston Calptor Chuck.

The Company aims to design remuneration policies that attract and retain executive needed to run the Group successfully and to motivate executives to pursue appropriate growth strategies whilst taking into account performance of the individual. The remuneration should reflect performance, complexity and responsibility of the individual; and the remuneration package will be structured to include salary, bonus and share options scheme to provide incentives to directors and senior management to improve their individual performances.

The role and function of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy, and determination of the remuneration of the executive directors.

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

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

The Remuneration Committee meets once during the financial year ended 31 March 2006 with the presence of Mr. Peter Hon Sheung Tin and Mr. Winston Calptor Chuck.

OTHER INFORMATION

The Board of Directors has not established a nomination committee. According to the Bye-laws 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 will take into consideration of the nominee's qualification, ability and potential contributions to the Company. There was no change of the composition of the Board during financial year ended 31 March 2006.

核數師酬金

德勤•關黃陳方會計師行於截至二零零六年三月三十一日止年度向本集團提供服務所涉及酬金分析如下：

AUDITOR'S REMUNERATION

The remuneration in respect of services provided by Deloitte Touche Tohmatsu for the Group for the year ended 31 March 2006 are analysed as follows:

		二零零六年 三月三十一日 31 March 2006 港元 HK\$	二零零五年 三月三十一日 31 March 2005 港元 HK\$
核數服務	Audit service	2,059,000	1,772,000
非核數服務	Non audit service	90,300	245,300

就非核數服務而言，指就稅務諮詢服務應付本公司核數師之費用。

In respect of non-audit service, the fees paid to the Company's auditors related to taxation consultancy services.

股東通訊

股東通訊之目的乃為股東提供有關本公司之詳盡資料，致使彼等按知情方式行使作為股東之權利。

本公司利用一系列通訊工具，確保其股東緊貼主要業務發展，當中包括股東週年大會、年報、各種通告、公佈及通函。按股數投票表決之程序已載入隨附召開股東大會通告之本公司通函，並於股東大會由主席宣讀。

於二零零五年股東週年大會上，主席就重選董事等每項獨立事宜分開提呈決議案。董事局主席及審核委員會與薪酬委員會成員已出席二零零五年股東週年大會，解答股東提問。

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 circular of the Company accompanying notice convening general meeting and has been read out by the chairman at the general meeting.

At the 2005 annual general meeting, a separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors. The Chairman of the Board of Directors and members of Audit Committee and Remuneration Committee attended the 2005 annual general meeting to answer questions to shareholders.

董事編製財務報告之責任

董事知悉彼等須負責編製財務報告。有關財務報告申報責任之核數師聲明載於核數師報告由第二十五至二十六頁。

DIRECTORS' RESPONSIBILITY FOR 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 Report of the Auditors on pages 25 to 26.

總結

本公司深信，企業管治質素及水平反映本集團業務管理及營運質素。良好的企業管治可確保適當動用資金及有效分配資源，並保障股東利益。管理人員竭誠提倡良好的企業管治慣例，定當努力不懈，致力維持、加強及改善本集團企業管治水平及質素。

CONCLUSION

The Company strongly believes that the quality and standard of corporate governance reflects the quality of the management and the operations of the Group's business. Good corporate governance can safeguard the proper use of funds and effective allocation of resources and to protect shareholders' interests. The management wholeheartedly advocated of the good practice in corporate governance and will try our best to maintain, strengthen and improve the standard and quality of the Group's corporate governance.