

董事會全人欣然提呈截至二零零六年三月三十一日止年度之年報連同已經審核之財務報表以供閱覽。

主要營業地點

YGM貿易有限公司(「本公司」)乃一間於香港註冊成立的公司，其註冊辦事處及主要營業地點為香港九龍新蒲崗大有街二十二號。

主要業務

本公司的主要業務是投資控股及提供管理服務。本公司各附屬公司及聯營公司的主要業務及其他詳情載於第142頁至第149頁的財務報表內。

本公司及各附屬公司及聯營公司(「本集團」)於本財政年度的主要業務及經營地區分析載列於財務報表附註第13項。

主要客戶及供應商

本集團於本年度首五大銷售客戶及供應商佔本集團營業額及購貨量分別少於30%。

財務報表

本集團截至二零零六年三月三十一日止年度的溢利及本公司與本集團於該日的財政狀況載於第37頁至第149頁的財務報表內。

轉撥至儲備

截至二零零六年三月三十一日止年度的本公司權益股東應佔溢利(未扣除股息)港幣161,913,000元(二零零五年(重報):港幣137,813,000元)，已轉撥至儲備。儲備的其他變動載於財務報表附註第30項。

本公司已於二零零六年一月十七日派發中期股息每股13港仙(二零零五年:每股13港仙)。董事會現建議派發截至二零零六年三月三十一日止年度的末期股息每股32港仙(二零零五年:每股30港仙)。

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2006.

Principal Place of Business

YGM Trading Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong.

Principal Activities

The principal activities of the Company are investment holding and the provision of management services. The principal activities and other particulars of the Company's subsidiaries and associates are set out in the financial statements on pages 142 to 149.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries and associates (the "Group") during the financial year are set out in note 13 on the financial statements.

Major Customers and Suppliers

During the year, the Group's sales to its five largest customers and purchases from its five largest suppliers accounted for less than 30% of the Group's turnover and purchases respectively.

Financial Statements

The profit of the Group for the year ended 31 March 2006 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 37 to 149.

Transfer to Reserves

Profit attributable to equity shareholders of the Company, before dividends, for the year ended 31 March 2006 of HK\$161,913,000 (2005 (restated): HK\$137,813,000) has been transferred to reserves. Other movements in reserves are set out in note 30 on the financial statements.

An interim dividend of HK13 cents per share (2005: HK13 cents per share) was paid on 17 January 2006. The Directors now recommend the payment of a final dividend of HK32 cents per share (2005: HK30 cents per share) in respect of the year ended 31 March 2006.

慈善捐款

年內，本集團的慈善捐款為港幣150,000元（二零零五年：港幣952,000元）。

固定資產

年內，固定資產的變動詳情載於財務報表附註第14項。

股本

年內，本公司股本的變動詳情載於財務報表附註第30項。年內於行使購股權時曾發行股份。

除財務報表附註第30(c)(ii)項所述者外，年內本公司或其任何附屬公司概無買賣或贖回本公司的上市證券。年內曾購回股份，以減低授出購股權的攤薄影響。

董事會

於本財政年度及直至本報告日期止的董事會成員如下：

執行董事

陳瑞球
陳永奎
陳永樂
周陳淑玲
傅承蔭
陳永棋
陳永滔
陳永明（於二零零五年九月二十一日退任）

獨立非執行董事

梁學濂
王霖
林克平

依據本公司的公司組織章程細則第95及第104條，陳永棋先生、傅承蔭先生、王霖先生及周陳淑玲女士將於即將召開之股東週年大會中輪值退任本公司董事，彼等願於會上膺選連任。

Charitable Donations

Charitable donations made by the Group during the year amounted to HK\$150,000 (2005: HK\$952,000).

Fixed Assets

Details of movements in fixed assets during the year are set out in note 14 on the financial statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 30 to the financial statements. Shares were issued during the year on exercise of share options.

Except as set out in note 30(c)(ii) on the financial statements, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year. Shares were repurchased during the year to reduce the dilutive effect of granting share options.

Directors

The Directors during the financial year and up to the date of this report were:

Executive Directors

Chan Sui Kau
Chan Wing Fui, Peter
Chan Wing Sun, Samuel
Chan Suk Ling, Shirley
Fu Sing Yam, William
Chan Wing Kee
Chan Wing To
Chan Wing Ming, Michael (retired on 21 September 2005)

Independent non-executive Directors

Leung Hok Lim
Wong Lam
Lin Keping

In accordance with Articles 95 and 104 of the Company's articles of association, Messrs Chan Wing Kee, Fu Sing Yam, William, Wong Lam and Madam Chan Suk Ling, Shirley shall retire as Directors of the Company by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

董事的服務合約

獨立非執行董事由董事會委任，其酬金由董事會釐定，詳見「遵守《最佳應用守則》」一節。

擬於即將召開的本公司股東週年大會中膺選連任的董事，概無與本公司或本集團任何成員公司訂立於一年內不可在不予賠償（一般法定賠償除外）的情況下由有關僱主終止的任何服務合約。

Directors' Service Contracts

The independent non-executive Directors were appointed by the board of Directors and their remuneration is determined by the board of Directors, see section headed 'Compliance with the Code of Best Practice'.

None of the Directors who have offered themselves for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company or any other member of the Group which is not determinable by the relevant employer within one year without payment of compensation, other than normal statutory compensation.

董事及行政總裁於股份及相關股份的權益

依據《證券及期貨條例》（「證券及期貨條例」）第352條須予存置的董事及行政總裁權益及淡倉登記冊的記錄，於二零零六年三月三十一日在任的本公司董事及行政總裁於該日擁有本公司、其附屬公司及其他相聯法團（定義見證券及期貨條例）已發行股份的權益如下：

(I) 於已發行股份的權益

Directors' and Chief Executive's Interests in Shares and Underlying Shares

The Directors and chief executive of the Company who held office at 31 March 2006 had the following interests in the issued shares of the Company, its subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO:

(I) Interests in issued shares

		每股面值港幣0.50元的普通股 Ordinary shares of HK\$0.50 each			
		個人權益 ⁽ⁱ⁾ Personal interests ⁽ⁱ⁾	家族權益 Family interests	公司權益 Corporate interests	其他權益 Other interests
實益權益	Beneficial interests				
陳瑞球	Chan Sui Kau	4,929,272	214,368	3,840,820	(ii)
陳永奎	Chan Wing Fui, Peter	324,068	3,820,420	–	(ii), (iii) & (iv)
陳永樂	Chan Wing Sun, Samuel	2,072,072	–	7,291,144	(ii), (iii) & (iv)
周陳淑玲	Chan Suk Ling, Shirley	3,613,544	16,000	–	(ii), (iii) & (iv)
陳永棋	Chan Wing Kee	3,692,776	819,404	–	(ii), (iii), (iv) & (v)
陳永滔	Chan Wing To	4,144,736	–	–	(ii), (iii), (iv) & (v)
傅承蔭	Fu Sing Yam, William	598,835	–	–	(ii)

董事及行政總裁於股份及相關股份的權益 (續)

(I) 於已發行股份的權益 (續)

- (i) 該等股份以身為實益擁有人的董事及行政總裁的名義登記。
- (ii) 21,396,700股本公司股份乃由Chan Family Investment Corporation Limited (由陳瑞球先生、陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生、傅承蔭先生、周陳淑玲女士及其他陳氏家族若干成員擁有) 及其附屬公司所持有。
- (iii) 24,595,908股本公司股份乃由Canfield Holdings Limited持有。該公司由陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生、周陳淑玲女士及其他陳氏家族若干成員間接擁有。
- (iv) 2,917,480股本公司股份乃由Hearty Development Limited持有。該公司由陳永奎先生、陳永棋先生、陳永樂先生、陳永滔先生、周陳淑玲女士及其他陳氏家族若干成員間接擁有。
- (v) 1,597,000股本公司股份乃由Super Team International Limited持有。該公司由陳永棋先生、陳永滔先生及其他陳氏家族若干成員間接擁有。

(II) 於相關股份的權益

本公司董事及行政總裁根據本公司購股權計劃獲授購股權的詳情載於下文「購股權計劃」一節。

除以上所述者外，本公司董事、行政總裁或任何彼等的配偶或其未滿十八歲的子女，概無於本公司或其任何附屬公司或其他相聯法團的股份、相關股份或債權證中擁有須登記於根據證券及期貨條例第352條規定須存置的登記冊，或根據《上市公司董事進行證券交易的標準守則》規定須另行知會本公司的任何權益或淡倉。

Directors' and Chief Executive's Interests in Shares and Underlying Shares (continued)

(I) Interests in issued shares (continued)

- (i) The shares are registered under the names of the Directors and chief executive who are the beneficial owners.
- (ii) 21,396,700 shares of the Company were held by Chan Family Investment Corporation Limited (which is owned by Messrs Chan Sui Kau, Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel, Chan Wing To and Fu Sing Yam, William, Madam Chan Suk Ling, Shirley and other members of the Chan family) and its subsidiaries.
- (iii) 24,595,908 shares of the Company were held by Canfield Holdings Limited, which is indirectly owned by Messrs Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel and Chan Wing To, Madam Chan Suk Ling, Shirley and other members of the Chan family.
- (iv) 2,917,480 shares of the Company were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui, Peter, Chan Wing Kee, Chan Wing Sun, Samuel, Chan Wing To, Madam Chan Suk Ling, Shirley and other members of the Chan family.
- (v) 1,597,000 shares of the Company were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To and other members of the Chan family.

(II) Interests in underlying shares

The Directors and chief executive of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share option scheme" below.

Apart from the foregoing, none of the Directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its subsidiaries or other associated corporations as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

購股權計劃

本公司的購股權計劃乃於二零零四年九月二十三日採納，據此，本公司董事獲授權酌情邀請本集團的僱員（包括本集團任何成員公司的董事）接受購股權以認購本公司股份。該計劃旨在為本集團僱員創造機會，取得本公司的股本參與權，鼓勵僱員致力提升本公司及其股份的價值，為本公司及其全體股東創造利益。購股權計劃乃於截至二零一四年九月二十二日止十年期間內有效和可執行，其後將不會授予任何其他購股權。

購股權的行使價以股份的票面值、股份於購股權授予當日在香港聯合交易所有限公司錄得的收市價和股份於購股權授予當日前五個營業日在香港聯合交易所有限公司錄得的平均收市價三者中的較高者為準。

購股權在授予日期後30日開始生效，並可於授予日期後十年內行使。

於二零零六年三月三十一日，根據購股權計劃可供發行的股份總數為15,469,879股股份（包括已授予但尚未失效或行使的購股權可予發行的12,027,000股股份），佔本公司於二零零六年三月三十一日已發行股本的10%。就各參與者根據該計劃可獲授購股權數目上限而言，各參與者於任何十二個月期間內獲授的購股權獲行使時已發行及將予發行的股份數目，不得超過本公司已發行普通股的1%。

於二零零六年三月三十一日，本公司董事及僱員於可認購本公司股份（於二零零六年三月三十一日的每股市值為港幣8.75元）的購股權中擁有下列權益，而接納根據本公司購股權計劃授予購股權的要約時，須支付名義款項的價款。該等購股權並未上市。持有人有權憑每項購股權認購一股本公司每股面值港幣0.50元的普通股。

Share Option Scheme

The Company has a share option scheme which was adopted on 23 September 2004 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including Directors of any company in the Group, to take up options to subscribe for shares in the Company. The purpose of the scheme is to provide an opportunity for employees of the Group to acquire an equity participation in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The share option scheme is valid and effective for a period of 10 years ending on 22 September 2014, after which no further options will be granted.

The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant and the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant.

The options vest 30 days from the date of grant and are then exercisable within a period of ten years from the date of grant.

The total number of shares available for issue under the share option scheme as at 31 March 2006 was 15,469,879 shares (including options for 12,027,000 shares that have been granted but not yet lapsed or exercised) which represented 10% of the issued share capital of the Company as at 31 March 2006. In respect of the maximum entitlement of each participant under the scheme, the number of shares issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

At 31 March 2006, the Directors and employees of the Company had the following interests in the options to subscribe for shares in the Company (market value per share at 31 March 2006 was HK\$8.75) granted for a nominal charge on acceptance of the offer of grant of an option under the Share Option Scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.50 each of the Company.

購股權計劃 (續)

Share Option Scheme (continued)

		年初 尚未行使的 購股權數目 No. of options outstanding at the beginning of the year	年內 行使購股 權購入的 股份數目 No. of shares acquired on exercise of options during the year	年內失效 的購股權 數目 No. of options lapsed during the year	年終 尚未行使的 購股權數目 No. of options outstanding at the year end	授予日期 Date granted	購股權 可予行使 期間 Period during which options are exercisable	每股 行使價 Exercise price per share (HK\$)	購股權 授予當日的 每股市價 Market value per share at date of grant of options (HK\$)*	行使 購股權後 每股市價 Market value per share on exercise of options (HK\$)*
董事	Directors									
陳瑞球	Chan Sui Kau	1,000,000	-	-	1,000,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
陳永奎及其配偶	Chan Wing Fui, Peter and his spouse	1,500,000	-	-	1,500,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
陳永榮	Chan Wing Sun, Samuel	1,200,000	-	-	1,200,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
周陳淑玲	Chan Suk Ling, Shirley	1,500,000	-	-	1,500,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
傅承蔭	Fu Sing Yam, William	1,200,000	-	-	1,200,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
陳永棋	Chan Wing Kee	800,000	-	-	800,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
陳永滔	Chan Wing To	500,000	-	-	500,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
梁學濂	Leung Hok Lim	100,000	-	-	100,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
王霖	Wong Lam	25,000	-	-	25,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
林克平	Lin Keping	25,000	-	-	25,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	
		7,850,000	-	-	7,850,000					
僱員	Employees	4,274,000	25,000	72,000	4,177,000	17/01/2005	16/02/2005 to 15/02/2015	12.10	12.00	14.05
總計	Total	<u>12,124,000</u>	<u>25,000</u>	<u>72,000</u>	<u>12,027,000</u>					

購股權計劃 (續)

授予董事的購股權乃按身為實益擁有人的董事的名義登記。

- * 為本公司普通股於緊接授出或行使(如適用)購股權日期前之加權平均收市價。

有關所授購股權之會計政策及每份購股權之加權平均價值之資料，分別載於財務報表附註第1(q)(ii)項及第28項。

除以上所述者外，本公司或其任何附屬公司均沒有在年內任何時間參與任何安排，致使本公司董事可以透過收購本公司或任何其他法團之股份或債權證而獲益。

主要股東及其他人士的股份權益

於二零零六年三月三十一日，按本公司根據證券及期貨條例第336條存置的登記冊所記錄，下列人士(除本公司董事及行政總裁外)擁有本公司股份或相關股份的權益或淡倉百分之五或以上：

	每股面值港幣 0.50 元的普通股 Ordinary shares of HK\$0.50 each	佔已發行股本百分比 Percentage of issued share capital
JP Morgan Chase & Co	9,459,000	6.11%

除以上所述者外，本公司概無獲知會須登記於根據證券及期貨條例第336條規定須存置的登記冊的任何其他權益。

充足公眾持股量

於本年報日期，根據本公司可供查閱的資料，就本公司董事所知，本公司已維持上市規則訂明的公眾持股量。

Share Option Scheme (continued)

The options granted to the Directors are registered under the names of the Directors who are also the beneficial owners.

- * being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, as applicable.

Information on the accounting policy for share options granted and the weighted average value per option is provided in note 1(q)(ii) and note 28 on the financial statements respectively.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial Shareholders' and Other Persons Interests in Shares

As at 31 March 2006, the following persons, other than Directors and chief executive of the Company, having interests or short positions of 5 percent or more in the Company's shares or underlying shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

關連交易及董事的合約權益

依據上市規則第十四A章所列之關連交易詳情載於財務報表附註第34項內。獨立非執行董事認為，該等關連交易均：

- (i) 於一般及日常業務過程中進行；
- (ii) 按正常商業條款或如無可供比較之條款，按本公司獨立股東認為公平合理的條款進行；及
- (iii) 按監管各項交易的協議條款或如並無該等協議，按不遜於給予獨立第三者或由獨立第三者提供（按適用者）的條款進行。

除以上所述者外，本公司或其任何附屬公司於年結時或年內任何時間，均沒有訂立任何本公司董事擁有關鍵性利益關係的重要合約。

銀行貸款及其他借款

本公司及本集團於二零零六年三月三十一日之銀行貸款及其他借款詳情載於財務報表附註第26項。

五年概要

本集團於過去五個財政年度的業績及資產與負債概要載於本年報第150頁。

物業

本集團各項主要物業及物業權益之詳情載於財務報表附註第14項。

Connected Transactions and Directors' Interests in Contracts

Details of the connected transactions under Chapter 14A of the Listing Rules are set out in note 34 on the financial statements. In the opinion of the independent non-executive Directors, the connected transactions were:

- (i) conducted in the ordinary and usual course of business;
- (ii) either on normal commercial terms or, where there is no available comparison, on terms that are fair and reasonable so far as the independent shareholders of the Company are concerned; and
- (iii) either in accordance with the terms of the agreements governing such transactions or, where there are no such agreements, on terms no less favourable than those available to or from (as appropriate) independent third parties.

Apart from the foregoing, no contract of significance to which the Company or any of its subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 March 2006 are set out in note 26 on the financial statements.

Five Year Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 150 of the annual report.

Properties

Particulars of the major properties and property interests of the Group are set out in note 14 on the financial statements.

退休計劃

本公司及其在香港的若干附屬公司已為所有合資格僱員成立界定供款退休計劃（「該計劃」）。該計劃的資產以一名獨立信託人管理的公積金分開持有。根據該計劃的規則，僱主必須每月按僱員基本薪金的5%向該計劃供款，而僱員可選擇供款與否。根據該計劃的規則，倘僱員在可取回全部僱主供款前退出計劃，被沒收的僱主供款將用作扣減日後的僱主供款或應要求退回僱主。

自二零零零年十二月一日強制性公積金（「強積金」）實施後，僱主供款現時是向強積金支付。強積金計劃是根據《強制性公積金計劃條例》實施，對象為《香港僱傭條例》管轄範圍內的僱員。強積金計劃乃一項界定供款退休計劃，由獨立受託人負責管理。根據強積金計劃，僱主及僱員各須按僱員有關收入的5%向該計劃作出供款，每月有關收入的上限為港幣20,000元。向該計劃作出的供款乃即時歸屬。

僱員於服務滿十年後，可得到僱主於強積金實施前按原有計劃作出的所有供款連同應計利息，或於服務三至九年後按遞增比例取回30%至90%的供款。

在中華人民共和國（「中國」）及法國境內的附屬公司的僱員是中國及法國政府分別組織的職工社會養老保險計劃的成員。該等附屬公司須按僱員工資的若干百分比作出退休福利計劃供款。該等附屬公司就退休福利計劃所承擔的唯一責任是支付該計劃的供款。

一間在台灣成立的附屬公司根據當地《勞動基準法》參與一項定額福利退休計劃。該計劃的供款按應支付工資及薪酬的2%計算。

Retirement Schemes

The Company and certain of its subsidiaries in Hong Kong operate a defined contribution retirement scheme ("the Scheme") for all qualified employees. The assets of the Scheme are held separately under a provident fund managed by an independent trustee. Pursuant to the rules of the Scheme, the employer is required to make contributions to the Scheme calculated at 5% of the employees' basic salaries on a monthly basis, whereas the employees' contributions are optional and, at their own discretion. Where there are employees who leave the Scheme prior to vesting fully in the contributions, in accordance with the rules of the Scheme, the forfeited employer's contributions shall be used to reduce the future contributions of the employer or shall be refunded to the employer on request.

Following the introduction of the Mandatory Provident Fund ("MPF") on 1 December 2000 employer contributions are now made to the MPF. The MPF scheme is operated under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees governed by the Employment Ordinance in Hong Kong. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

The employees are entitled to 100% of the employer's contributions made prior to the introduction of the MPF and the accrued interest after 10 complete years of service, or at an increasing scale of between 30% to 90% after completion of 3 to 9 years' service of the Scheme.

The employees of the subsidiaries in the People's Republic of China ("the PRC") and France are members of the state-sponsored retirement scheme organised by the government of the PRC and France, respectively. The subsidiaries are required to contribute a certain percentage of payroll to the retirement scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement scheme is the required contributions under the retirement scheme.

A subsidiary established in Taiwan participates in a defined benefit retirement plan established in accordance with the local labour standards law. Contributions to the plan are based upon 2% of wages and salaries paid.

確認獨立性

本公司已收到各獨立非執行董事根據上市規則第3.13條作出的年度獨立性確認，並認為所有獨立非執行董事均為獨立人士。

遵守《最佳應用守則》

本公司在整個年度均有遵守香港聯合交易所有限公司上市規則附錄十四所載《最佳應用守則》，惟本公司的非執行董事並非按指定任期委任；彼等須按本公司的公司組織章程第95及104條於股東週年大會上輪值告退。

審核委員會

審核委員會由三名獨立非執行董事組成，並向董事會報告。審核委員會與本集團的高級管理人員及外聘核數師定期會面，以檢討本集團內部監控系統的成效及審閱年報。

核數師

畢馬威會計師事務所即將告退，惟願膺選連任。由畢馬威會計師事務所連任本公司核數師的決議案，將於即將召開的股東週年大會上提出。

承董事會命

公司秘書
梁榮發

香港，二零零六年七月二十一日

Confirmation of Independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

Compliance with the Code of Best Practice

The Company has complied throughout the year with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules except that the non-executive Directors of the Company are not appointed for a specific term but are subject to rotation in annual general meetings pursuant to Articles 95 and 104 of the Company's articles of association.

Audit Committee

The audit committee comprises three independent non-executive Directors and reports to the board of Directors. The audit committee meets with the Group's senior management and external auditors regularly to review the effectiveness of the internal control systems and the annual report of the Group.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

Leung Wing Fat
Company Secretary

Hong Kong, 21 July 2006