

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會一直致力遵照自二零零五年一月一日起生效，載於上市規則附錄14的企業管治常規守則（「企業管治守則」），以確保維持高水平企業管治。除下文披露者外，本公司於截至二零零六年三月三十一日止年度內已遵守企業管治守則的守則條文。

- (a) 根據企業管治守則的守則條文第A.2.1條，主席與行政總裁的角色應有所區分，並不應由一人同時兼任。
- (b) 根據企業管治守則的守則條文第A.4.1及A.4.2條，(i)非執行董事的委任應有指定任期，並須接受重新選舉；及(ii)所有為填補臨時空缺而獲委任的董事應在獲委任後的首次股東大會上由股東選舉，而每名董事（包括有指定任期的董事）須至少每三年輪值告退一次。

有關偏離情況將於下文闡述。

證券交易標準守則

本公司已採納載於上市規則附錄10的標準守則，作為本公司董事進行證券交易的守則。在向所有董事個別作出查詢後，本公司確認，各董事在年內均一直遵守標準守則所訂的標準。

董事會

董事會負責本公司業務的整體管理，負起領導及監控本公司的責任，並透過引領及指導本公司的事務，共同肩負促進本公司成功的責任。全體董事並就本公司的利益客觀地作出決定。

董事會執掌本公司重大事項的決策權，包括批准及監督一切政策上的事宜、整體策略及預算案、內部監控、財務資料、董事委任及其他重大財務及營運等事宜。

The Board is committed to ensuring high standards of corporate governance practices as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules which came into effect on 1 January 2005. Save as disclosed below, the Company has complied with the code provisions of the CG Code throughout the year ended 31 March 2006.

- (a) Under code provision A.2.1 of the CG Code, the role of chairman and chief executive officer should be separated and should not be performed by the same individual.
- (b) Under code provision A.4.1 and A.4.2 of the CG Code, (i) non-executive directors should be appointed for a specific term and subject to re-election; and (ii) all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The details of such deviations will be explained below.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

The overall management of the Company’s business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors should take decisions objectively in the interests of the Company.

The Board undertakes responsibility for decision making in major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control, financial information, appointment of directors and other significant financial and operational matters.

本公司已就所有主要及重大事宜諮詢全體董事的意見。在公司秘書所提供的意見及協助下，主席確保所有董事均已就將於董事會會議上討論的議題獲得簡要匯報，並按時取得充分可靠的資料。董事可於適當的情況下並在向董事會提出要求後，尋求獨立專業意見，有關費用由本公司支付。

本公司的日常管理、行政及營運交由本公司三位執行董事及高層管理人員組成的執行委員會負責。本公司會定期檢討所委托的職能及工作任務。執行委員會成員於訂立任何重大交易前，須事先經由董事會批准。

董事會現任成員由下列董事所組成：

執行董事：

羅開揚 (主席兼行政總裁)
吳志強
陳志成

獨立非執行董事：

劉菱輝
陳榮年
李相音
劉國權

截至二零零六年三月三十一日止年度內，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，而其中一名獨立非執行董事須具備合適的專業資格，或會計或相關財務管理方面專業知識的規定。本公司董事於本報告日期的履歷詳情載列於本年報第14及第15頁。

除劉菱輝先生與羅開揚先生的妻舅關係外，董事會各成員之間並無財務、業務、家屬或其他重大／相關關係。

All Directors have been consulted on all major and material matters of the Company. With the advice and services of the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. Directors may choose to take independent professional advice in appropriate circumstances at the Company's expenses, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Executive Committee which comprises the three Executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above-mentioned officers.

Currently, the Board comprises the following Directors:

Executive Directors:

Dennis Lo Hoi Yeung (*Chairman and Chief Executive*)
Ng Chi Keung
Chan Chee Shing

Independent Non-executive Directors:

Herald Lau Ling Fai
Joseph Chan Kai Nin
Peter Lee Sheung Yam
Peter Lau Kwok Kuen

During the year ended 31 March 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. Biographical details of the Directors of the Company as at the date of this report are set out on pages 14 and 15 of this annual report.

Save that Mr Dennis Lo Hoi Yeung and Mr Herald Lau Ling Fai are brothers-in-law, the Board members have no financial, business, family or other material/relevant relationships with each other.

企業管治報告

CORPORATE GOVERNANCE REPORT

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性而發出的年度確認函。董事會認為，雖然劉菱輝先生與羅開揚先生屬姻親關係，但在履行職責時，劉先生能憑藉個人品格、資歷及經驗作出獨立判斷及保持誠信，故本公司認為全體獨立非執行董事均具獨立性。

The Company has received from each of the Independent Non-executive Directors written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. In the Board's opinion, Mr Herald Lau Ling Fai is able to exercise independent judgment and integrity in executing his role and responsibility by virtue of his character, qualifications and experience despite his relationship with Mr Dennis Lo Hoi Yeung. On this basis, the Company considers that all the Independent Non-executive Directors are independent.

截至二零零六年三月三十一日止年度內，董事會共舉行了四次會議，每位董事的出席率如下：

Four Board meetings were held during the year ended 31 March 2006 and attendance of individual Directors is set out below:-

Attendance/Number of Meetings
出席次數／會議次數

執行董事

羅開揚 (主席兼行政總裁)
吳志強
陳志成

Executive Directors

Dennis Lo Hoi Yeung (Chairman and Chief Executive)
Ng Chi Keung
Chan Chee Shing

4/4
4/4
4/4

獨立非執行董事

劉菱輝
陳樂年
李相音
劉國權

Independent Non-executive Directors

Herald Lau Ling Fai
Joseph Chan Kai Nin
Peter Lee Sheung Yam
Peter Lau Kwok Kuen

2/4
4/4
4/4
4/4

所有董事清楚明白其應平衡、清晰及明白地評審公司表現的責任，適用於年度報告及中期報告、其他涉及股價敏感資料的通告及根據上市規則規定及其他法例規定須予披露的資料。各董事承認為本集團編製財務報表以真實與公允地反映本集團的財政狀況為其責任。本公司核數師之報告就有關聲明其對本公司財務報表之責任已列於第37頁之核數師報告書內。經適當的諮詢，各董事確認並無重大不明朗事件或情況可能會影響本公司持續經營的能力。

All Directors well understand their responsibilities to present a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing financial statements which give a true and fair view of the state of affairs of the Group. The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Company is set out on page 37 in the auditors' report. The Directors, having made appropriate enquires, confirm that there are no material uncertainties relating to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

非執行董事的任期

企業管治守則的守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須膺選連任。

TERMS OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term and should be subject to re-election.

於回顧年內，本公司的非執行董事並無固定委任任期；為遵守企業管治守則，由二零零六年四月一日起，全體非執行董事均已獲委任為期三年，並須遵守本公司的章程細則（「章程細則」）有關輪值告退及由股東重選的規定。

委任及重選董事

章程細則賦予董事會權力委任任何人士出任本公司董事，以填補臨時空缺或作為董事會的新增成員。由於在甄選過程中，全體董事會成員均會參與參考候選人所具備的資格、經驗、誠信及可投入履行職務的時間而作出甄選，故本公司並無意採納企業管治守則的建議最佳常規成立提名委員會。

根據現行章程細則，(i)於年內獲董事會委任的新董事應在接受委任後的首次股東週年大會上退任，但可膺選連任，及(ii)於每屆股東週年大會上，須有三份一（或如不是三或三的倍數，則為最接近三份一的董事人數）的在任董事退任，惟擔任執行主席或董事總經理的在任董事毋須輪流退任或在釐定每年退任董事人數時亦毋須計算在內。

本公司主席與行政總裁的職務現時由一人同時兼任。鑑於在下一節所作出的解釋，董事會認為，持續現有安排及持續豁免本公司的主席及董事總經理（行政總裁）遵守任何輪值退任的條文符合本公司的最佳利益。

主席及行政總裁

企業管治守則的守則條文第A.2.1條規定，主席與行政總裁的角色應有所區分，並不應由一人同時兼任。

Non-executive Directors of the Company did not have a specific term of appointment during the year under review and in compliance with the CG Code, all Non-executive Directors have been appointed for a term of three years from 1 April 2006 and are subject to retirement by rotation and re-election by the shareholders in accordance with the Bye-Laws of the Company (the "Bye-Laws").

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board is empowered under the Bye-Laws to appoint any person as a director of the Company either to fill a casual vacancy or as an addition to the Board. Since the Board as a whole will carry out the selection process by making reference to the qualifications, experience, integrity and time commitment of the proposed candidates, the Company does not intend to adopt the recommended best practices of the CG Code to set up a Nomination Committee.

According to the current Bye-Laws, (i) new directors appointed by the Board during the year shall hold office until the first annual general meeting after their appointment and shall then be eligible for re-election; and (ii) at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third) shall retire from office, provided that no director holding office as executive chairman or a managing director shall be subject to retirement by rotation or taken into account in determining the number of directors to retire.

The roles of both chairman and chief executive officer of the Company are presently vested in the same person. For the reasons as explained in the next section, the Board considers that it would be in the best interest of the Company to continue such arrangement, and to continue the exemption of both the chairman and the managing director (the chief executive officer) of the Company from any retirement by rotation provisions.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual.

企業管治報告

CORPORATE GOVERNANCE REPORT

本公司主席與行政總裁的角色未有區分，現時由羅開揚先生同時兼任。由於羅開揚先生在業界具有豐富經驗，並擔當本集團的日常管理工作，故董事會相信，這樣安排使本集團可在強勢及貫徹的領導下，善用資源，有效地規劃、制定及落實長遠的策略及業務計劃。董事會認為此架構不會令董事會與本公司管理層兩者之間在權力及權限上的平衡受到影響。

企業管治守則的守則條文第A.4.2條規定，每名董事（包括有指定任期的董事）須至少每三年輪值告退一次。

根據章程細則，本公司主席及董事總經理無須輪值告退。基於上述相同原因，董事會認為，持續豁免本公司的主席及董事總經理（行政總裁）遵守有關輪值退任的條文，符合本公司的最佳利益。

薪酬委員會

薪酬委員會於二零零六年三月二十七日由董事會成立，其訂定的職權範圍符合企業管治守則的規定，並已刊載於本公司的網站，在股東提出要求時亦可供查閱。該委員會成員包括兩名獨立非執行董事陳榮年先生及劉國權先生，以及一名執行董事吳志強先生。陳榮年先生為該委員會的主席。

薪酬委員會專責檢討及釐定董事的薪酬待遇及其他相關事宜。該委員會須至少每年舉行一次會議。薪酬委員會於二零零六年三月二十七日方告成立，故尚未於回顧年內舉行任何會議。

審核委員會

審核委員會成員包括本公司獨立非執行董事劉菱輝先生、李相音先生及陳榮年先生。委員會由劉菱輝先生擔任主席，須至少每年舉行兩次會議。

The Company does not have a separate chairman and chief executive officer and Mr Dennis Lo Hoi Yeung currently holds both positions. In view of the extensive experience of Mr Dennis Lo Hoi Yeung in the industry and the fact that the day-to-day management of the Group is led by him, the Board believes that this arrangement provides the Group with strong and consistent leadership, efficiency usage of resources and enables effective planning, formulation and implementation of long-term strategies and business plans. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company.

Code provision A.4.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Bye-Laws, the chairman and the managing director of the Company are not subject to retirement by rotation. For the same reasons as set out above, the Board considers that it would be in the best interest of the Company to continue the exemption of both the chairman and the managing director (the chief executive officer) of the Company from such retirement by rotation provisions.

REMUNERATION COMMITTEE

The Board established its Remuneration Committee on 27 March 2006 with defined written terms of reference which are in line with the CG Code and are posted on the Company's website and available to shareholders upon request. The committee comprises two Independent Non-executive Directors, Mr Joseph Chan Kai Nin and Mr Peter Lau Kwok Kuen and one Executive Director, Mr Ng Chi Keung. Mr Joseph Chan Kai Nin is the chairman of the committee.

The Remuneration Committee is responsible for reviewing and determining the remuneration packages of the Directors and other related matters. The committee shall meet at least once a year. As the committee was only set up on 27 March 2006, no remuneration committee meeting has been held during the year under review.

AUDIT COMMITTEE

The Audit Committee comprises Mr Herald Lau Ling Fai, Mr Peter Lee Sheung Yam and Mr Joseph Chan Kai Nin who are all Independent Non-executive Directors of the Company. The committee is chaired by Mr Herald Lau Ling Fai and meets at least twice a year.

審核委員會的主要職責包括在提呈董事會批准之前，審閱財務報表及報告，並考慮合資格會計師、內部核數師或外聘核數師所提出的任何重大或特殊提問。委員會亦負責檢討外聘核數師的審核範圍及性質，以及本公司財務申報、內部監控及風險管理系統及相關程序的充足性及成效。審核委員會已採納符合企業管治守則規定的職權範圍，有關職權範圍已刊載於本公司的網站，在股東提出要求時亦可供查閱。

於二零零六年三月三十一日止年度內，審核委員會共舉行了兩次會議，以審閱未經審核中期賬目及經審核年度賬目；檢討外聘核數師的酬金；與外聘核數師商討彼等的獨立身份以及審核性質及範圍；檢討內部審核程序、調查結果及管理層的回應；並且對本公司內部監控及風險管理系統進行評估。

審核委員會每位成員出席委員會會議的出席率如下：

The principal duties of the Audit Committee include reviewing the financial statements and reports and considering any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board for approval. It is also responsible for reviewing the scope and nature of the external audit and the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures. The Audit Committee has adopted written terms of reference which are in line with the CG Code and are posted on the Company's website and available to shareholders upon request.

During the year ended 31 March 2006, two Audit Committee meetings were held to review unaudited interim accounts and audited annual accounts; to review the remuneration of external auditors; to discuss with the external auditors their independence and the nature and scope of the audit; to review the internal audit programme, findings and management's responses; and to evaluate the internal control and risk management system of the Company.

The attendance of individual members at the Audit Committee meetings is set out below:

Attendance/Number of Meetings
出席次數／會議次數

獨立非執行董事

劉菱輝 (主席)
陳榮年
李相音

Independent Non-executive Directors

Herald Lau Ling Fai (*Chairman*)
Joseph Chan Kai Nin
Peter Lee Sheung Yam

2/2
2/2
2/2

企業管治報告

CORPORATE GOVERNANCE REPORT

核數師酬金

截至二零零六年三月三十一日止年度內，本公司就本公司核數師提供的審核及非審核服務所支付／應支付予核數師的費用如下：

AUDITORS' REMUNERATION

During the year ended 31 March 2006, the fees paid/payable to the auditors in respect of audit and non-audit services provided by the auditors of the Company were as follows:

Nature of services 服務性質	Amount 金額 HK\$'000 港幣千元
二零零五年／二零零六年中期業績審閱費	440
二零零五年／二零零六年全年業績審核費	1,350
包括提供稅務及顧問服務的非審核服務	487
總額	2,277

內部監控

董事會負責全面維持本集團良好而有效的內部監控制度。本集團的內部監控制度包括確立清晰的管理架構，並為達致業務目標賦予相關權限、保障資產不會在未經許可的情況下被動用或挪用、確保會計賬簿及記錄得以妥善保存，以便提供可靠的財務資料供內部使用或刊載，並確保遵守有關法例及規例。董事會會定期檢討本集團的內部監控制度。

INTERNAL CONTROLS

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group. The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure maintenance of proper books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. The Board conducts regular reviews of the Group's internal control system.

與投資者的關係及溝通

本公司繼續積極推動及促進與投資者的關係及溝通。指定的執行董事及高層管理人員負責定期與機構投資者及分析員保持溝通，讓彼等了解本公司的發展近況。董事會亦歡迎股東就影響本集團的事宜提出意見，並鼓勵彼等出席股東大會，直接向董事會或管理層表達彼等關注的事宜。

INVESTOR RELATIONS AND COMMUNICATION

The Company continues to pursue a proactive policy of promoting investor relations communications. Designated executive directors and senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. The Board also welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or management directly.

本公司設有網站作為促進有效溝通的渠道，以電子方式適時發佈公司資訊及其他財務及非財務方面的資料。

As a channel to further promote effective communication, the Company's website is maintained to disseminate corporate information and other relevant financial and non-financial information electronically.