

## 企業管治報告書 Corporate Governance Report

本公司致力達到高水平企業管治以確保本公司股東之權益。

### 企業管治常規

截至二零零六年三月三十一日止財政年度內，本公司一直遵守於二零零五年一月一日生效之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）。只有守則之守則條文A.4.2存有差異，此差異已列於本公司二零零五／二零零六年之中期報告內。

根據守則之守則條文A.4.2，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。

根據二零零五年八月十八日前生效之本公司細則，在本公司每屆股東週年大會上，三分之一當時在任本公司之董事（「董事」）（或，倘其人數並非三之倍數，則最接近但不多於三分之一之數目）須輪值退任，惟本公司董事會（「董事會」）主席及董事總經理不須按此規定輪值退任。此外，任何為填補空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼可膺選連任。此構成有異於守則中之守則條文A.4.2。

為了遵守這守則條文，本公司已於二零零五年八月十八日所舉行之股東週年大會上向各股東建議修訂其相關細則，而有關修訂已獲股東批准。

The Company is committed to achieving a high standard of corporate governance practices with a view to protecting the interests of all of its shareholders.

### CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “Code”) throughout the financial year ended 31st March, 2006 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which came into effect on 1st January, 2005, with deviation from the code provision A.4.2 of the Code as stated in the Company’s 2005/2006 interim report.

Under the code provision A.4.2 of the Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the then Bye-laws of the Company prior to 18th August, 2005, at each annual general meeting of the Company, one-third of the directors of the Company (the “Directors”) for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) should retire from office by rotation, provided that the Chairman of the Board of Directors (the “Board”) and the Managing Director of the Company were not subject to the retirement by rotation. Further, any Director appointed to fill a casual vacancy or as addition to the Board should hold office only until the next following annual general meeting and would then be eligible for re-election. This constituted a deviation from the code provision A.4.2 of the Code.

To comply with the code provision, relevant amendments to the Bye-laws of the Company were proposed and approved by the shareholders at the annual general meeting of the Company held on 18th August, 2005.

## 企業管治報告書（續） Corporate Governance Report (Cont'd)

### 董事之證券交易

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則（「標準守則」）作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至二零零六年三月三十一日止財政年度內所有董事已遵守標準守則之要求。

### 董事會

本公司董事會由十名董事組成，包括六名執行董事譚偉豪博士太平紳士（主席）、譚偉棠先生（董事總經理）、譚梅嘉慧女士、大谷和廣先生、李冠雄先生及霍定洋博士；一名非執行董事羅志聰先生；及三名獨立非執行董事容永祺先生榮譽勳章、何國成先生及王幹文先生。於截至二零零六年三月三十一日止財政年度內，董事會的組成並無任何變動。

董事會定期舉行會議，每年最少召開四次會議，大約每季一次。召開董事會定期會議通告均於會議前至少十四天發出予所有董事，以讓所有董事有機會騰空出席。會議的議程及相關文件至少在會議日期三天前送出以讓所有董事有機會將討論事項納入董事會定期會議議程。董事會會議記錄之初稿均於確定前之合理時段內發送全體董事，供董事表達意見。會議上董事所考慮事項及達致的決定已足夠詳細地記錄於會議記錄內。

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the financial year ended 31st March, 2006.

### THE BOARD

The Board of the Company comprises ten Directors, including six executive Directors, namely Dr. Tam Wai Ho, Samson JP (Chairman), Mr. Tam Wai Tong, Thomas (Managing Director), Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani, Mr. Lee Koon Hung and Dr. Fok Ting Yeung, James; one non-executive Director namely Mr. Lo Chi Chung, William; and three independent non-executive Directors, namely Mr. Yung Wing Ki, Samuel MH, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason. During the financial year ended 31st March, 2006, there has been no change as to the composition of the Board.

The Board meets regularly and board meetings are held at least four times a year at approximately quarterly intervals. Notices of regular board meetings are served to all Directors at least fourteen days before the meetings to ensure that all Directors are given the opportunity to attend. Agenda and accompanying board papers are sent out to all Directors at least three days in advance to ensure that all Directors are given the opportunity to include matters in the agenda for regular board meetings. Draft minutes of board meetings are circulated to all Directors for comment within a reasonable time prior to confirmation. Minutes are recorded in sufficient detail the matters considered by the Board and decisions reached.

## 企業管治報告書（續）

### Corporate Governance Report (Cont'd)

#### 董事會（續）

於截至二零零六年三月三十一日止財政年度內，董事會已舉行四次會議，各董事個別之出席率如下：

#### THE BOARD (Continued)

During the financial year ended 31st March, 2006, four board meetings were held and the individual attendance of each Director is set out below:

		出席會議次數 Number of meetings attended
<b>執行董事</b>		
譚偉豪 太平紳士 (主席)	Tam Wai Ho, Samson JP (Chairman)	4/4
譚偉棠 (董事總經理)	Tam Wai Tong, Thomas (Managing Director)	4/4
譚梅嘉慧	Tam Mui Ka Wai, Vivian	4/4
大谷和廣	Kazuhiro Otani	4/4
李冠雄	Lee Koon Hung	4/4
霍定洋	Fok Ting Yeung, James	4/4
<b>非執行董事</b>		
羅志聰	Lo Chi Chung, William	4/4
<b>獨立非執行董事</b>		
容永祺 榮譽勳章	Yung Wing Ki, Samuel MH	4/4
何國成	Ho Kwok Shing, Harris	4/4
王幹文	Wong Kon Man, Jason	4/4

董事會負責制定本集團之整體策略及政策、檢討及監察本集團之財務表現，包括編製及批准財務報表及監管管理層之日常營運工作。管理層獲授權以處理日常業務運作及行政事宜。

The Board is responsible for formulating the overall strategies and policies of the Group, reviewing and monitoring its financial performance, including preparing and approving financial statements and overseeing operational matters of the management. Daily business operations and administration functions are delegated to the management.

按上市規則第3.10(1)及(2)條之規定，本公司已委任足夠數目的獨立非執行董事，以及其中一名具備適當會計或有關財務管理專長的獨立非執行董事。董事會已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函。

Pursuant to Rules 3.10 (1) and (2) of the Listing Rules, sufficient number of independent non-executive Directors have been appointed with one of them has appropriate accounting or related financial management expertise. The Board has received annual confirmation of independence from the independent non-executive Directors as required under Rule 3.13 of the Listing Rules.

## 企業管治報告書（續） Corporate Governance Report (Cont'd)

### 董事會（續）

譚偉豪博士太平紳士與譚偉棠先生之關係為兄弟。譚偉豪博士太平紳士與譚梅嘉慧女士之關係為夫婦。除此披露外，董事會成員之間並無存在包括財務、業務、家屬或其他重大／相關的關係。

本公司已成立五個委員會，包括薪酬委員會、審核委員會、企業風險管理委員會、執行管理委員會及優先認股權委員會。董事會已轉授權力予各委員會以協助董事會履行其職務及監控本集團特定範疇之事務。請參閱下列各委員會的職責及功能之詳情。

### 主席及行政總裁

本公司之主席及董事總經理分別為譚偉豪博士太平紳士及譚偉棠先生。主席及董事總經理的角色已明確分開以及並非由同一名人士出任。主席主要負責管理董事會，董事總經理主要負責管理本公司之業務。另外，主席專責本集團之整體規劃及財務管理，董事總經理則專責本集團產品之整體市場推廣及營銷策略。

### 非執行董事

各非執行董事之委任為有指定任期，惟該任期須根據本公司之公司細則輪值退任及重選。

### THE BOARD (Continued)

The relationship between Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas is brothers. Mrs. Tam Mui Ka Wai, Vivian is the wife of Dr. Tam Wai Ho, Samson JP. Save for these relationships, there are no other financial, business, family or other material/relevant relationships among members of the Board.

Currently, the Company has set up five committees including Remuneration Committee, Audit Committee, Risk Management Committee, Executive Management Committee and Share Option Committee. Each committee is delegated with various responsibilities by the Board in assisting the Board in the discharge of its duties and to administer particular aspects of the Group's activities. Details of the role and function of each committee are summarized below.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Managing Director are Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas respectively. The roles of the Chairman and the Managing Director are clearly segregated and are not exercised by the same individual. The Chairman's principal responsibility is to manage the Board and the Managing Director's principal responsibility is to manage the Company's business. In particular, the Chairman is responsible for the Group's corporate planning and financial management whereas the Managing Director is responsible for the overall marketing and sales strategies of the Group's products.

### NON-EXECUTIVE DIRECTOR

The term of appointment of each of the non-executive Directors are fixed for a specific term, and shall be subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

## 企業管治報告書（續）

### Corporate Governance Report (Cont'd)

#### 薪酬委員會

薪酬委員會於一九九六年成立。本公司已根據守則之守則條文B.1.3採納薪酬委員會的職權範圍。薪酬委員會成員包括執行董事譚偉豪博士太平紳士（薪酬委員會主席）及兩名獨立非執行董事何國成先生及王幹文先生。

薪酬委員會專責向董事會提出關於本公司薪酬制度及釐定本公司董事及高級行政人員薪酬的建議。薪酬委員會每年最少舉行一次會議以檢討本公司執行董事及高級行政人員之薪酬及評估執行董事之表現。在釐定及批准本公司董事及高級行政人員之薪酬時，薪酬委員會將考慮各方面因素包括市場競爭力、個人表現及本公司與其業務單位之盈利能力等。

於截至二零零六年三月三十一日止財政年度內，薪酬委員會已舉行兩次會議，以調整本公司執行董事及高級行政人員之薪酬待遇、批准花紅發放及授出優先認股權事宜。各成員之出席率如下：

#### REMUNERATION COMMITTEE

The Remuneration Committee was established in 1996. The Company has adopted terms of reference in compliance with code provision B.1.3 of the Code. The Remuneration Committee comprises an executive Director, namely Dr. Tam Wai Ho, Samson JP (Chairman of the Remuneration Committee) and two independent non-executive Directors, namely Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure in relation to remuneration of Directors and senior management of the Company. It schedules to meet at least once a year for reviewing the remuneration of the executive Directors and senior management of the Company and assessing performance of executive Directors. In determining and approving the remuneration of Directors and senior management of the Company, the Remuneration Committee shall consider factors such as market competitiveness, individual performance and achievement and company and divisional profitability.

The Remuneration Committee has held two meetings during the financial year ended 31st March 2006, for revising the remuneration package for executive Directors and senior management of the Company, and approving the payment of bonus for and grant of share options to executive Directors and senior management of the Company. The attendance of each member is set out below:

		出席會議次數 Number of meetings attended
譚偉豪 太平紳士	Tam Wai Ho, Samson JP	2/2
何國成	Ho Kwok Shing, Harris	2/2
王幹文	Wong Kon Man, Jason	2/2

## 企業管治報告書(續) Corporate Governance Report (Cont'd)

### 審核委員會

審核委員會於一九九九年成立。本公司已根據守則之守則條文C.3.3採納審核委員會的職權範圍。審核委員會成員包括三名獨立非執行董事容永祺先生榮譽勳章(審核委員會主席)、何國成先生及王幹文先生及非執行董事羅志聰先生。

審核委員會之主要職責包括提供獨立和專業的財務匯報意見並評估內部監控之有效性及外部與內部審核之足夠性。

於截至二零零六年三月三十一日止財政年度內，審核委員會已舉行四次會議，以審閱本集團所採納的會計原則及政策，檢討並評估內部監控系統、風險管理及財務匯報事宜，並盡力確保本集團遵守所有適用法例和規則。各成員之出席率如下：

容永祺榮譽勳章  
何國成  
王幹文  
羅志聰

Yung Wing Ki, Samuel MH  
Ho Kwok Shing, Harris  
Wong Kon Man, Jason  
Lo Chi Chung, William

審核委員會主席於每次會議後，均會於董事會會議上向各董事匯報各項討論過的重要事項，並向董事會呈交報告。為協助審核委員會履行其職責，「改善工作流程及內部審計小組」於二零零二年成立，為前線部門提供改善工作流程的意見及進行內部審計，直接向審核委員會定期提交報告。

### AUDIT COMMITTEE

The Audit Committee was established in 1999. The Company has adopted terms of reference in compliance with code provision C.3.3 of the Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yung Wing Ki, Samuel MH (Chairman of the Audit Committee), Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason and a non-executive Director, Mr. Lo Chi Chung, William.

The principal responsibilities of the Audit Committee include providing an independent and professional advice on financial reporting, and evaluating the effectiveness of internal control and the sufficiency of external and internal audits.

During the financial year ended 31st March, 2006, the Audit Committee has held four meetings to review the accounting principles and practices adopted, discuss and evaluate internal control procedures, risk management and financial reporting matters. It also ensures that the Group complies with all applicable laws and regulations. The attendance of each member is as follows:

#### 出席會議次數 Number of meetings attended

4/4  
4/4  
4/4  
3/4

After each Audit Committee meeting, the Chairman of the Audit Committee will present a report to the Board which highlights any significant issues discussed in the meeting for the Board's information and consideration. To assist the Audit Committee to carry out its duties, the Process Improvement and Internal Audit Sub-committee was formed in 2002 to provide support to frontline functions in improving business operations and performing internal audit. Internal audit reports will be directly sent to the Audit Committee periodically.

## 企業管治報告書(續)

### Corporate Governance Report (Cont'd)

#### 企業風險管理委員會

企業風險管理委員會於二零零一年成立，為協助董事核查及評估各種業務運作上的風險，並制定策略及實施風險管理制度以預防及管理市場及營運風險。

#### 執行管理委員會

執行管理委員會於二零零五年成立，訂有書面職權範圍，由董事會授權以日常管理委員會形式運作。執行管理委員會成員包括六名執行董事譚偉豪博士太平紳士(執行管理委員會主席)、譚偉棠先生、譚梅嘉慧女士、大谷和廣先生、李冠雄先生及霍定洋博士。

#### 優先認股權委員會

優先認股權委員會於一九九六年成立，訂有書面職權範圍，依據本公司優先認股權計劃處理關於授予優先認股權之事宜。本公司向其董事或彼之聯繫人士授予優先認股權時，需要得到本公司之獨立非執行董事的批准。優先認股權委員會成員包括兩名執行董事譚梅嘉慧女士(優先認股權委員會主席)及李冠雄先生。

#### 核數師酬金

年內，本公司核數師提供核數服務所得之總酬金為1,522,664港元。

#### RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established in 2001 to help Directors identify and assess business risks. Corresponding strategies are formulated and risk management system is implemented to prevent and manage market and operational risks.

#### EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee was established in 2005 with written terms of reference to operate as a general management committee under the authority of the Board. The Executive Management Committee comprises six executive Directors, namely Dr. Tam Wai Ho, Samson JP (Chairman of the Executive Management Committee), Mr. Tam Wai Tong, Thomas, Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani, Mr. Lee Koon Hung and Dr. Fok Ting Yeung, James.

#### SHARE OPTION COMMITTEE

The Share Option Committee was established in 1996 with written terms of reference to deal with issues regarding any grant of share options under the Company's share option scheme. In any case, the grant of the Company's share options to any Director or his associates requires the approval of the Company's independent non-executive Directors. The Share Option Committee comprises two executive Directors, Mrs. Tam Mui Ka Wai, Vivian (Chairman of the Share Option Committee) and Mr. Lee Koon Hung.

#### AUDITORS' REMUNERATION

For the year under review, the total remuneration in respect of audit services provided by the Company's auditors are HK\$1,522,664.

## 企業管治報告書（續） Corporate Governance Report (Cont'd)

### 董事就編製財務報表作出之責任

董事承認須負責編製真實與公平之財務報表。本公司核數師對財務報表之責任聲明載列於本週年報告第44頁之核數師報告書內。

### 內部監控

董事會已對本公司及其附屬公司的內部監控系統涵蓋檢討風險管理功能之有效性，本公司重大監控，包括財務、營運及合規監控。

### 投資者關係

本集團一向重視與投資者溝通，並致力增強與投資者之關係，利用定期會議、發佈會、集團網頁內刊載之新聞稿及公佈、參觀廠房及與投資者作電郵通訊等各種方法，以確保能全面並及時的披露相關的公司資料，增加本集團對投資界的透明度。

### DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the Company's financial statements which give a true and fair view. The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in "Report of the Auditors" on page 44 of the annual report.

### INTERNAL CONTROLS

The Board has conducted review of the effectiveness of the system of internal control of the Company and its subsidiaries which cover the review of risk management functions, the Company's material controls including financial, operational and compliance controls.

### INVESTOR RELATIONS

The Group always places emphasis on communicating with investors and is committed to enhancing investor relationship by increasing its transparency to the investor community. Measures to keep investors informed of the Group's latest developments comprehensively and timely include regular meetings, presentations, posting of press release and announcements on the Group's website, visits to the manufacturing plant and e-mail news updates.