

Corporate Governance Report

企業管治報告

The board of directors (the “Board”) of Synergis Holdings Limited (“Synergis” or the “Company”) recognises the interests of and its responsibility to one of its most important stakeholders – the shareholders. The Board is committed to upholding high standards of corporate governance as a means of protecting and enhancing shareholder value and ensuring the integrity of operations of the Company and its subsidiaries (collectively, the “Group”). Synergis’ corporate governance standards are built on the principles of independence, accountability, transparency and fairness with an appropriate system of checks and balances which are regularly reviewed to address the growth of the Group. The responsibility for ensuring compliance within the corporate governance framework set by the Company begins first and foremost with Synergis’ directors. On this initiative, the Company had already issued its first report on corporate governance in the 2003/04 annual report, which is way ahead of the implementation of the code on corporate governance practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Code on Corporate Governance Practices

In the light of the CG Code coming into effect on 1 January 2005, Synergis’ corporate governance practices have been reviewed and updated with the adoption of and improvement in guidelines and procedures in different aspects.

The Company has applied the principles in and complied with the applicable code provisions of the CG Code (with the exception of code provision C.2 on internal controls which is effective for the accounting periods commencing on or after 1 July 2005) during the year ended 31 March 2006, except for deviations from code provision A.4.1 of the CG Code regarding the requirement for non-executive directors to be appointed for a specific term of office and the first part of code provision E.1.2 of the CG Code regarding the attendance of annual general meeting by the chairman of the Board. These deviations with considered reasons are explained in detail in the paragraphs below. With regard to other deviations existed in the year, details of which were disclosed in the interim report for the six months ended 30 September 2005 of the Company, appropriate measures have already been taken to ensure compliance with the relevant code provisions in the CG Code. Set out below are Synergis’ current framework of corporate governance and the explanations on how the relevant code provisions set out in the CG Code have been applied.

新昌管理集團有限公司*（「新昌管理」或「本公司」）董事會（「董事會」）深明股東是其最重要之利益相關者之一，本集團既重視保障股東利益，亦承諾對股東承擔責任。董事會承諾秉持高企業管治水平，以保障及提升股東價值，同時確保本公司及其附屬公司（統稱「本集團」）誠實公正運作。新昌管理的企業管治建基於以獨立性、問責性、透明度及公平性為原則，並制訂完善檢討及平衡制度，因應本集團的發展而作出定期檢討。新昌管理之董事負責帶領堅守由本公司制定的企業管治架構。就此而言，本公司早於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治常規」）實施前，已於二零零三／二零零四年度年報內刊發首份企業管治報告。

企業管治常規守則

鑑於企業管治常規自二零零五年一月一日起生效，新昌管理已檢討並更新其企業管治常規，採納和改善不同方面之指引與程序。

除了偏離企業管治常規守則條文第A.4.1條有關非執行董事須按指定任期獲委任之規定以及企業管治常規守則條文第E.1.2條前半部有關董事會主席應出席股東週年大會之規定外，本公司於截至二零零六年三月三十一日止年度內一直應用企業管治常規之原則，並遵守企業管治常規各項適用守則條文之規定（不包括守則條文第C.2條內有關自二零零五年七月一日或之後開始之會計期間方始生效之內部監控）。上述偏離守則條文規定之行為連同經過深思熟慮得出之理由詳載於下文。關於年內出現之其他偏離情況，本公司已於截至二零零五年九月三十日止六個月之中期報告內披露，並已採取適當措施確保符合該等企業管治常規守則條文之規定。下文載列新昌管理之現行企業管治架構，並闡述企業管治常規所載有關守則條文之應用情況。

* For identification purpose only 僅供識別

Model Code for Securities Transactions by Directors and Certain Employees

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

On 14 December 2005, the Board further adopted the Model Code as the written guidelines for securities transactions by the senior management and certain employees of the Group who by virtue of their positions may likely be in possession of unpublished price sensitive information of the Group. Having made specific enquiry of all these senior management and employees, the Company was advised that all of them have complied with the required standard set out in the Model Code.

The Board

Composition

The Board is currently composed of seven directors, including two executive directors, one non-executive director and four independent non-executive directors. One of the executive directors has appointed an alternate director.

The names of the directors and their positions in the Company are set out below:

Independent Non-executive Chairman:

Professor Woo Chia Wei

Executive Directors:

Mrs. Fung Yi Hao, Yvette (*Deputy Chairman*)

Mr. Fan Cheuk Hung (*Managing Director*)

Non-Executive Director:

Mr. Kwong Ki Chi

Independent Non-executive Directors:

Mr. Tsang Cheung (*Chairman of Audit Committee*)

Mr. Tsui Yiu Wa, Alec

Mr. Nicholas David Swain (*Chairman of Remuneration Committee*)

Alternate Director:

Mr. Barry John Buttifant (*alternate to Mrs. Fung Yi Hao, Yvette*)

Coming from diverse business and professional backgrounds, the Board members possess a balance of skills and expertise appropriate for the requirements of the business of the Group and help promote its success. The biographical details of the directors of the Company are set out on pages 26 to 29 of this annual report.

董事及若干僱員進行證券交易的標準守則

董事會採納了上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易的操守準則。經向本公司所有董事作出特定查詢，所有董事確認彼等於截至二零零六年三月三十一日止年度內一直遵守標準守則所載之規定準則。

於二零零五年十二月十四日，董事會進一步採納標準守則作為因其所擔任職位而可能擁有關於本集團未公開股價敏感資料的本集團高層管理人員及若干僱員進行證券交易之書面指引。經向所有該等高層管理人員及僱員作出特定查詢，本公司獲悉所有上述人士一直遵守標準守則所載之規定準則。

董事會

組成

董事會現時由七名董事組成，包括兩名執行董事、一名非執行董事及四名獨立非執行董事。其中一名執行董事委任了替代董事。

各董事之姓名及彼等於本公司擔當之職位載列如下：

獨立非執行主席：

吳家瑋教授

執行董事：

葉儀皓女士（*副主席*）

樊卓雄先生（*董事總經理*）

非執行董事：

鄺其志先生

獨立非執行董事：

曾祥先生（*審核委員會主席*）

徐耀華先生

Nicholas David Swain先生（*薪酬委員會主席*）

替代董事：

Barry John Buttifant先生（*葉儀皓女士的替代董事*）

董事會成員來自不同行業及專業背景，具備全面的技能及專業知識，適用於管理本集團業務，有助其成功發展。本公司董事之履歷詳情載於本年報第26至29頁。

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The Board comprises a majority of non-executive and independent non-executive directors. Their participation in Board and Board committee meetings and their attention given to the Group's affairs have enabled the Board to achieve an effective exercise of independent judgement and make objective decisions on issues relating to the Group's strategy, policy, financial and business performance and ensure that the Board acts in the interests of the Company and its shareholders as a whole.

Composition of the Board, including the names of the independent non-executive directors, is expressly identified in all corporate communications which disclose the names of the directors of the Company.

As at 31 March 2006, all Board members have no financial, business, family or other material/relevant relationships with each other.

The Roles of the Board

The Board takes primarily the responsibility for leadership and control of the Company. It is accountable for the overall strategic development of the Group with the objective to enhance shareholder value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group; business plans; annual budgets; significant capital expenditures; interim and annual results and reports; dividend policy and dividend payments; material acquisition, disposal or investment proposals; directors' appointments, re-appointments or removal; and other material financial or business transactions.

The Board has delegated certain of its responsibilities to the audit committee, remuneration committee and committee for banking matters. It has also delegated the day-to-day operations of the Group's business to the senior management. Delegation of duties to the Board committees and daily business operations to the management are discussed in the later part of this report.

Board Proceedings

The Board shall hold at least four meetings a year at approximately quarterly intervals. Tentative meeting dates are scheduled in advance at the beginning of the year in order to facilitate the directors to plan for attendance of the meetings. Apart from the four regular Board meetings per year, additional Board meetings would be arranged, as and when required, to deal with different issues. Any director who is not able to present physically may participate at any Board meeting through electronic means of communication such as video conferencing or telephone conferencing in accordance with the Company's bye-laws.

Notice of at least 14 days is given for each regular Board meeting and reasonable notice is given for other additional Board meetings. The company secretary assists the Board chairman to prepare the meeting notice and agenda. Meeting agenda for each regular Board meeting is circulated in draft form to all the directors for comment first so that each director will have the opportunity to include any matter in the agenda.

董事會大部份成員均為非執行及獨立非執行董事。彼等對董事會會議及董事會轄下委員會會議的積極參與，以及對本集團事務之重視，有助董事會有效行使獨立判斷，能就涉及本集團策略、政策、財務及業務表現之事宜作出客觀決定，並確保董事會之行動符合本公司及各股東之整體利益。

本公司所有載有董事姓名之公司通訊中，已明確說明董事會的組成，包括各獨立非執行董事的姓名。

於二零零六年三月三十一日，所有董事會成員之間並無任何財務、業務、家屬或其他重大／相關關係。

董事會之角色

董事會負有領導及監控本公司之責任，並須就本集團之整體策略發展負責，以致力提升股東價值為目標。所有重大事宜均留待董事會考慮或決定，有關事宜包括（其中包括）本集團整體策略；業務計劃；年度預算；重大資本開支；中期與年度業績及報告；股息政策及股息分派；重大收購、出售或投資計劃；委任、重新委任或罷免董事；及其他重大財務或業務交易。

董事會已將其若干權力轉授予審核委員會、薪酬委員會及銀行事項委員會。此外，董事會亦已授權高層管理人員處理本集團業務之日常營運。有關轉授職能予董事會轄下委員會及授權高層管理人員處理日常營運之詳情，將於本報告較後部份討論。

董事會程序

董事會會議將每年至少舉行四次，約每季一次。本公司會於年初時預先選定會議的暫定日期，以便董事安排出席有關會議。除了每年四次之董事會定期會議外，董事會亦會於有需要時安排舉行額外的董事會會議，以處理不同事務。根據本公司章程細則之規定，任何未能親身出席董事會會議之董事，可透過視像會議或電話會議等電子通訊方法參與董事會會議。

就董事會的定期會議，會發出至少14日的通知；而對於董事會的其他額外會議，則會發出合理通知。公司秘書會協助董事會主席擬備會議通知及議程。就每次董事會的定期會議，會議議程會以初稿形式發送予所有董事，使彼等能先行表達意見，旨在確保每位董事皆有機會提出商討事項列入有關議程。

Agenda accompanied by meeting papers and related materials with sufficient and reliable information are provided to each director in advance and in any case, not less than 3 days before the date of a Board meeting. Directors will then have the time to go through the meeting papers and materials and hence make informed decisions on matters raised at the meeting or raise enquiries before or at the meeting, where necessary.

The company secretary is responsible for taking minutes of Board meetings. Drafts and final versions of the minutes will be circulated to each director for comment and record, respectively, in both cases within a reasonable time after each meeting. Minutes are recorded in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by the directors or dissenting views (if any) expressed. Minutes of the Board meetings are kept by the company secretary and open for inspection by any director.

All directors of the Company shall have access to the company secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations are followed.

To assist the directors to discharge their duties, on 14 December 2005, the Board adopted written procedures which have been circulated to all the directors of the Company for them to follow in order to seek independent professional advice upon reasonable request at the Company's expenses. No request was made by any director for such independent professional advice since the adoption of the written procedures up till the date of this report.

Board approval is also given by circulation of resolutions in writing pursuant to the Company's bye-laws, as and when it is difficult or not practicable to convene a Board meeting to consider matter which requires immediate decision or under tight time constraint. Whenever Board approval is sought by means of circulation of resolutions in writing, management will provide at the same time sufficient background information and explanatory materials to the directors to enable them to make an informed decision on the proposed resolution. During the year ended 31 March 2006, three sets of resolutions in writing were circulated to the directors for approval of different matters. Despite Board approvals were obtained by circulation of resolutions in writing, all these written resolutions were tabled for review by the Board members at the next following Board meeting so that the directors were given the opportunity to raise further comment, if any, on the relevant matters.

If a substantial shareholder or a director has a conflict of interest in a matter (including material transaction with connected persons) which the Board determines to be material, the Board will hold a meeting instead of giving approval by way of circulation of resolutions in writing.

Appropriate insurance cover on directors' and officers' liabilities has been arranged to protect the directors and officers of the Group.

董事會會議之議程，連同具備充足可靠資料之相關會議文件及有關材料，會事先提供予每位董事，並至少在舉行董事會會議日期的三日前送出。因此，董事將會有充足時間細閱有關會議文件及材料，從而能夠就會議上提出的事項作出知情決定或於會議前或當時提出問題（如有需要）。

公司秘書須負責對董事會會議作出記錄。會議記錄的初稿及最終稿須在每次董事會會議結束後的合理時段內發送予每位董事，初稿供董事表達意見，最終稿則予以存檔之用。會議記錄須對會議上各董事所考慮的事項及達致的決定作出足夠詳細之記錄，其中包括董事提出之任何疑慮或表達之反對意見（如有）。董事會會議記錄由公司秘書備存，並將公開予任何董事查閱。

本公司所有董事均有接觸公司秘書之途徑，公司秘書須確保董事會程序獲遵行及所有適用規則及規例均獲遵守。

為了協助董事履行職務，董事會於二零零五年十二月十四日採納了書面程序，並將之發送予本公司所有董事以供依循，讓董事可按合理要求尋求獨立專業意見，費用則由本公司支付。自有關書面程序獲採納日期起至本報告刊發日期止，概無任何董事提出上述尋求獨立專業意見之要求。

如有事項必須即時作出決定或礙於時間緊迫以致難以或不可能召開董事會會議予以考慮時，董事會亦會根據本公司之章程細則之規定，透過傳閱書面決議案之方式批准該有關事項。當透過傳閱書面決議案方式尋求董事會批准時，管理層將於同一時間提供充足背景資料及說明材料予各董事，以便彼等能就獲提呈之決議案作出知情決定。於截至二零零六年三月三十一日止年度內，董事會曾傳閱三份書面決議案就不同事項作出批准。儘管已透過傳閱書面決議案之方式取得董事會批准，惟所有該等書面決議案仍於獲通過後的下一次董事會會議上提交董事會成員省覽，讓董事有機會就有關事項提出進一步意見（如有）。

若有主要股東或董事在某一事項中存有董事會認為重大的利益衝突（包括與關連人士的重大交易），董事會將就此舉行會議，而不會以傳閱書面決議案方式作出批准。

本集團已為董事及高級職員購買合適之責任保險，為彼等提供保障。

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Meeting Attendances

During the year ended 31 March 2006, six Board meetings were held.

Attendances to meetings of the Board, the audit committee, the remuneration committee and the committee for banking matters during the year are set out in the table below:

會議出席情況

於截至二零零六年三月三十一日止年度內，董事會舉行了六次會議。

下表載列年內董事會會議、審核委員會會議、薪酬委員會會議及銀行事項委員會會議之出席情況：

		Meetings attended/Eligible to attend 出席／具資格出席會議次數			
		Board ⁽¹⁾ 董事會 ⁽¹⁾	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Committee for Banking Matters ⁽⁵⁾ 銀行事項 委員會 ⁽⁵⁾
Executive Directors:	執行董事:				
Fung Yi Hao, Yvette	葉儀皓	6/6	N/A	N/A	3/3
Fan Cheuk Hung	樊卓雄	6/6	N/A	N/A	3/3
Non-executive Directors:	非執行董事:				
Kwong Ki Chi	鄺其志	4/6	N/A	1/1	N/A
Lai Ming, Joseph ⁽²⁾	黎明 ⁽²⁾	1/3	0/1	N/A	N/A
Independent Non-executive Directors:	獨立非執行董事:				
Woo Chia Wei	吳家瑋	5/6	2/2	1/1	N/A
Tsang Cheung	曾祥	4/6	2/2	N/A	N/A
Tsui Yiu Wa, Alec	徐耀華	4/6	2/2	N/A	N/A
Nicholas David Swain ⁽⁴⁾	Nicholas David Swain ⁽⁴⁾	4/5	N/A	1/1	N/A
Shih Wing Ching ⁽³⁾	施永青 ⁽³⁾	2/3	1/1	N/A	N/A

N/A: not applicable 不適用

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| <p>(1) A Board meeting was held on 1 June 2005 for approving a letter of guarantee issued in favour of the Group's largest customer, Hong Kong Housing Authority. In order to achieve business efficacy as well as meeting commercial deadline and after taking into consideration the nature of the matter to be transacted, this meeting was held only by the two executive directors of the Company. However, the minutes of the meeting were tabled for all other Board members' review at the next following regular Board meeting.</p> <p>(2) Mr. Lai Ming, Joseph retired as a director of the Company and ceased to be a member of the audit committee with effect from 28 July 2005.</p> <p>(3) Mr. Shih Wing Ching retired as a director of the Company and ceased to be the chairman and member of the audit committee with effect from 28 July 2005.</p> <p>(4) Mr. Nicholas David Swain was appointed as a director of the Company with effect from 1 June 2005 and chairman and member of the remuneration committee with effect from 13 September 2005.</p> <p>(5) The committee for banking matters was established on 28 February 2006.</p> | <p>(1) 董事會曾於二零零五年六月一日就批准以本集團最大客戶香港房屋委員會為受益人而發出之擔保函舉行會議。為了達致業務效率及趕及商業限期，及經考慮須予處理事項之性質後，是次會議只有兩名本公司執行董事參與。然而，有關會議記錄已於下一次董事會的定期會議上提交所有其他董事會成員省覽。</p> <p>(2) 黎明先生自二零零五年七月二十八日起退任本公司董事一職，且不再為審核委員會的成員。</p> <p>(3) 施永青先生自二零零五年七月二十八日起退任本公司董事一職，且不再為審核委員會的主席兼成員。</p> <p>(4) Nicholas David Swain先生自二零零五年六月一日起獲委任為本公司董事，並自二零零五年九月十三日起擔任薪酬委員會主席兼成員。</p> <p>(5) 銀行事項委員會於二零零六年二月二十八日成立。</p> |
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Independent Non-executive Directors

The Company has four independent non-executive directors, representing more than one-third of the total number of the Board members.

Mr. Tsui Yiu Wa, Alec, one of the independent non-executive directors, has the appropriate related financial management expertise as required by rule 3.10(2) of the Listing Rules.

The Company has received from each of its independent non-executive directors, namely, Professor Woo Chia Wei, Mr. Tsang Cheung, Mr. Tsui Yiu Wa, Alec and Mr. Nicholas David Swain, an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules and the Company considers that all of them are and have remained independent.

Appointment, Re-election and Removal of Directors

The Board currently does not find it necessary to set up a nomination committee to consider the appointment, re-election and removal of directors. The Board as a whole has assumed this responsibility.

None of the existing non-executive directors of the Company are appointed for a specific term of office. However, in accordance with the Company's bye-laws, all directors (including all the non-executive and independent non-executive directors) of the Company are subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years. The Company currently is of the view that the said requirement to have all the directors (including the non-executive and independent non-executive directors) to retire and stand for re-election at annual general meetings at least once every three years has already provided the shareholders with the right to vote for approving the continuation of the offices of the non-executive and independent non-executive directors.

According to the existing provision in the Company's bye-laws, any director appointed by the Board to fill a casual vacancy shall be subject to re-election by the shareholders at the next following annual general meeting of the Company. For full compliance with the requirement under code provision A.4.2 of the CG Code, a special resolution will be proposed at the forthcoming annual general meeting of the Company to amend certain provisions in the bye-laws of the Company which shall include, *inter alia*, the requirement for any director appointed to fill a casual vacancy to be subject to election by the shareholders at the first general meeting of the Company after his/her appointment.

Any new director to be appointed by the Company shall be provided with an introduction of the relevant regulatory requirements and the Group's affairs on his/her appointment. Existing directors will be provided with updates on the latest developments of the Listing Rules and other applicable legal and regulatory changes and matters of relevance to the directors in discharging their duties as and when required.

獨立非執行董事

本公司共有四名獨立非執行董事，佔董事會成員總人數超過三分之一。

其中一名獨立非執行董事徐耀華先生具備上市規則第3.10(2)條所規定的相關合適財務管理專長。

本公司已接獲其每位獨立非執行董事，即吳家璋教授、曾祥先生、徐耀華先生及Nicholas David Swain先生，根據上市規則第3.13條之規定就彼等之獨立性而發出之年度書面確認函，而本公司認為所有獨立非執行董事現時及過往均一直保持獨立。

委任、重選及罷免董事

董事會現時認為無需就考慮委任、重選及罷免董事之事宜設立提名委員會。董事會已整體承擔是項責任。

本公司所有現任非執行董事均無指定任期。然而，根據本公司之章程細則，本公司所有董事（包括所有非執行董事及獨立非執行董事）均須至少每三年一次於本公司之股東週年大會上輪值告退及接受重選。本公司目前認為，上述有關所有董事（包括非執行及獨立非執行董事）必須至少每三年一次於股東週年大會上退任及接受重選之規定，已給予股東有關批准非執行及獨立非執行董事連任之權利。

根據本公司現有章程細則之條文，任何為填補臨時空缺而獲董事會委任之董事，須於本公司下一屆股東週年大會上接受股東重選。為了全面符合企業管治常規守則條文第A.4.2條之規定，本公司將於應屆股東週年大會上提呈一項特別決議案，以修訂本公司章程細則中之若干條文，包括（其中包括）規定所有為填補臨時空缺而獲委任之董事須在接受委任後的首次本公司股東大會上接受股東選舉。

任何將獲本公司委任之新董事，將於正式獲委任時獲提供有關監管規則及本集團業務之介紹。現任董事將在有需要時獲提供有關上市規則最新發展及其他適用法例及監管規定變動之最新資料，以及與董事履行職務有關之資料。

Corporate Governance Report

企業管治報告

Chairman and Managing Director

The CG Code requires the roles of the chairman of the Board and chief executive to be separate and not performed by the same individual - this is a model already adopted by Synergis since its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The roles of the chairman of the Board and the managing director of the Company are taken by two separate directors who are not related to each other. This arrangement ensures a balance of power and authority. Clear division of responsibilities between the Board chairman and the managing director is set out in writing as described in the paragraphs below.

The Board chairman is an independent non-executive director of the Company whose responsibilities are set out in a specific written terms of reference initially adopted by the Board on 19 September 2003 and subsequently amended on 14 December 2005 with the scope revised to cover those responsibilities of a chairman set out in all the code provisions and certain recommended best practices under code provision A.2 of the CG Code. The Board chairman assumes primarily the responsibility to provide leadership to the Board and ensures that it works effectively.

The managing director of the Company has the duties to oversee the Group's business, operations and affairs carried out from time to time and his duties are written in his service agreement entered into with the Company.

With the support from the executive directors and the company secretary, the Board chairman ensures that all directors are properly briefed on issues arising at Board meetings and receive adequate, complete and reliable information in a timely manner.

Board Committees

The Board has established different committees each to oversee a certain aspect of the Group's affairs and assist in the execution of the Board's responsibilities.

The committees established by the Board include the audit committee, the remuneration committee and the committee for banking matters.

The finance committee previously established by the Board was dissolved on 14 December 2005 as, after due consideration, the Board is of the view that the duties previously discharged by the finance committee have partly been taken up by the Board itself and partly become the duties of the audit committee or the newly established committee for banking matters.

主席及董事總經理

企業管治常規規定，董事會主席與行政總裁之職能必須分開，且不可由同一人履行；這正是新昌管理自於香港聯合交易所有限公司（「聯交所」）上市以來已一直沿用之模式。

董事會主席及本公司董事總經理之職位分別由兩名互相無關連的董事擔任。是項安排確保權力和授權分佈均衡。董事會主席與董事總經理職責之區分已清楚界定並以書面列載，有關詳情載於下文。

董事會主席為本公司之獨立非執行董事，其職責載於以書面形式訂立之具體職權範圍內，有關職權範圍最初於二零零三年九月十九日獲董事會採納，其後於二零零五年十二月十四日予以修訂，使其範圍更新至企業管治常規守則條文第A.2條下所有守則條文及若干建議最佳常規所載的主席職責符合一致。董事會主席之主要職責是領導董事會，並確保董事會有效地運作。

本公司董事總經理之職責是監督本集團的業務、營運及不時進行的事務，而彼之職責載於彼與本公司訂立之服務協議內。

在執行董事及公司秘書的協助下，董事會主席確保在董事會會議上所有董事均適當知悉當前的事項，並及時收到充份且完備可靠的資料。

董事會轄下的委員會

董事會下設有各個不同的委員會，各個委員會專責監督本集團特定範疇的事務，並協助執行董事會的職務。

董事會轄下委員會包括審核委員會、薪酬委員會及銀行事項委員會。

董事會經適當考慮後，認為原先由財務委員會負責之職務已部份由董事會處理，而部份則已成為審核委員會或新成立之銀行事項委員會之職務，故原先由董事會成立之財務委員會已於二零零五年十二月十四日解散。

Audit Committee

The establishment of the audit committee of the Company was approved by the Board on 19 September 2003 to take effect from the date of the first dealing in the shares of the Company on the Stock Exchange, i.e. 9 October 2003.

During the period from 1 April 2005 to 28 July 2005, the audit committee comprised five members of whom, among the others, included Mr. Shih Wing Ching and Mr. Lai Ming, Joseph who held the offices as the chairman and member of the audit committee, respectively, until 28 July 2005, the date on which they retired as directors of the Company and hence ceased to hold the said offices in the audit committee accordingly.

Subsequent to the cessation of Mr. Shih Wing Ching and Mr. Lai Ming, Joseph to hold offices in the audit committee, commencing from 28 July 2005, the audit committee of the Company comprises three members, namely, Mr. Tsang Cheung, Professor Woo Chia Wei and Mr. Tsui Yiu Wa, Alec, all of whom are independent non-executive directors of the Company. Mr. Tsang Cheung was appointed as the chairman of the audit committee on 13 September 2005. None of the audit committee members are or have ever been a partner of the Company's existing audit firm.

The audit committee has been provided with sufficient resources to discharge its duties properly. Its duties are set out in the revised specific written terms of reference adopted by the Board on 14 December 2005 in compliance with code provision C.3.3 of the CG Code. The audit committee has explicit authority to investigate any activity within its written terms of reference and the authority to obtain outside legal or other independent professional advice if it considers necessary. Its principal duties include, inter alia, recommending the appointment or re-appointment of the Company's external auditors; reviewing the Company's interim and annual financial statements; and reviewing the Company's financial reporting system and internal control procedures (including monitoring the effectiveness of the internal audit function). Full text of the written terms of reference of the audit committee has been posted on the Company's website.

The audit committee shall meet at least twice a year. In the financial year ended 31 March 2006, two audit committee meetings were held. Attendances to the meetings have been shown in the table above. During the meetings, the audit committee members had reviewed and discussed with the senior management the interim and annual results and the corresponding financial statements with a view to ensuring that the Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong. The audit committee had also considered the reports from the external auditors on the scope and findings of their independent review of the audit of the interim and annual financial statements.

The internal audit reports on business operations and corporate functions are submitted by the internal audit team with findings and improvement recommendations to the audit committee for review.

審核委員會

董事會於二零零三年九月十九日批准成立本公司之審核委員會，而審核委員會於本公司股份在聯交所掛牌買賣當日（即二零零三年十月九日）正式成立。

於二零零五年四月一日至二零零五年七月二十八日止期內，審核委員會由五名成員組成，當中包括分別擔任審核委員會主席及其成員直至二零零五年七月二十八日止之施永青先生及黎明先生。彼等均於該日退任本公司董事職務並因而不再擔當上述審核委員會之職務。

於施永青先生及黎明先生不再擔任審核委員會職務後，自二零零五年七月二十八日起，本公司審核委員會由三名成員組成，包括曾祥先生、吳家璋教授及徐耀華先生，彼等均為本公司獨立非執行董事。曾祥先生於二零零五年九月十三日獲委任為審核委員會主席。審核委員會各成員無論過往或現在均非本公司現時委聘之核數師行之合夥人。

審核委員會已獲提供充足資源以履行其職責。其職責載於經修訂的具體書面職權範圍內，有關職權範圍於二零零五年十二月十四日獲董事會採納，並符合企業管治常規守則條文第C.3.3條之規定。審核委員會具有明確職權可調查屬於其書面職權範圍內的任何活動，並有權於其認為有需要時對外尋求法律或其他獨立專業意見。其主要職責包括（其中包括）就本公司外聘核數師之委任或重新委任提供建議、審閱本公司之中期及年度財務報表，以及檢討本公司之財務申報系統及內部監控程序（包括監察內部核數職能之功效性）。審核委員會之職權範圍全文已登載於本公司網頁內。

審核委員會每年至少舉行兩次會議。於截至二零零六年三月三十一日止財政年度，審核委員會共舉行了兩次會議。有關會議之出席情況載於上表。審核委員會成員於會上與高層管理人員審閱及討論中期與全年業績及相關財務報表，以確保本公司之財務報表按照香港普遍採納之會計原則編製。審核委員會亦已省覽外聘核數師就彼等對中期與年度財務報表之獨立審核之範圍及結果作出之獨立審閱報告。

內部審核隊伍就業務運作及企業職能之調查結果與改善建議所作的內部審核報告會提交審核委員會審閱。

Corporate Governance Report

企業管治報告

There has not been any disagreement between the Board and the audit committee's view on the selection, appointment and re-appointment of the external auditors. Both the audit committee and the Board have agreed to recommend the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditors for the ensuing year at the forthcoming 2006 annual general meeting of the Company.

Remuneration Committee

The remuneration committee of the Company was established by the Board on 13 September 2005 which comprises three members, two of whom are independent non-executive directors of the Company, namely, Mr. Nicholas David Swain and Professor Woo Chia Wei (who is also the Board chairman), and the remaining member is the non-executive director of the Company, namely, Mr. Kwong Ki Chi. Mr. Nicholas David Swain was appointed as the chairman of the remuneration committee on 13 September 2005.

The remuneration committee has been provided with sufficient resources to discharge its duties properly. Its authority and duties are set out clearly in the specific written terms of reference adopted by the Board on 13 September 2005 in compliance with code provision B.1.3 of the CG Code. Its principal duties include, inter alia, recommending the Board on the policy and structure for all remuneration of the directors of the Company and the senior management; determining the specific remuneration packages of the executive directors of the Company and the senior management; and making recommendations to the Board on the remuneration of the non-executive and independent non-executive directors of the Company. Full text of the specific written terms of reference of the remuneration committee has been posted on the Company's website.

The remuneration committee shall meet at least once a year. During the year under review, one remuneration committee meeting was held. Attendance to the meeting has been shown in the table above. During the meeting, the remuneration committee had, inter alia, reviewed and determined the overall remuneration packages of the executive directors of the Company and the senior management and made recommendations on the fees of all the directors (including the non-executive and independent non-executive directors) of the Company for the financial year ended 31 March 2006.

Remuneration Policy of the Group

The Group sets its remuneration policy by reference to the prevailing market conditions and to formulate a performance-based reward system with a view to sustaining market competitiveness for attracting and retaining high calibre staff. The remuneration packages of Hong Kong staff include basic salaries, discretionary bonuses and other benefits such as medical scheme and retirement funds. Staff in the Mainland are remunerated in line with the domestic market terms and welfare policy.

Incentive bonus scheme is set up for senior management staff in order to provide them with initiatives to align their performance with the overall profitability and development of the Group. Such management bonus is calculated on a pre-approved formula tied in with the Group's profitability.

董事會及審核委員會對甄選、委任及重新委任外聘核數師事宜之意見並無分歧。審核委員會及董事會均同意於本公司即將舉行之二零零六年股東週年大會上，建議重新委任羅兵咸永道會計師事務所為本公司來年之外聘核數師。

薪酬委員會

董事會於二零零五年九月十三日成立本公司之薪酬委員會，由三名成員組成，當中兩名成員為本公司之獨立非執行董事Nicholas David Swain先生及吳家璋教授（彼亦為董事會主席），餘下一名成員為本公司之非執行董事鄺其志先生。Nicholas David Swain先生於二零零五年九月十三日獲委任為薪酬委員會主席。

薪酬委員會已獲提供充足資源以履行其職責。其職權及職責明確載於董事會於二零零五年九月十三日採納並符合企業管治常規守則條文第B.1.3條規定之具體書面職權範圍內。其主要職責包括（其中包括）就本公司董事及高層管理人員之全體薪酬政策及架構向董事會提出建議、釐訂本公司執行董事及高層管理人員之特定薪酬待遇，以及就本公司非執行及獨立非執行董事之薪酬向董事會提出建議。薪酬委員會之具體書面職權範圍全文已登載於本公司網頁內。

薪酬委員會每年至少舉行一次會議。於回顧年度內，薪酬委員會舉行了一次會議。有關會議之出席情況已載於上表。薪酬委員會成員於會上處理之事項包括（其中包括）檢討及釐訂本公司執行董事及高層管理人員之整體薪酬待遇，以及就本公司所有董事（包括非執行及獨立非執行董事）於截至二零零六年三月三十一日止財政年度之袍金作出建議。

本集團之薪酬政策

本集團在訂定薪酬政策時會參考當時之市場情況，並制定一套與表現掛鈎的獎賞制度，旨在維持市場競爭力，並吸引及挽留具有卓越才幹之人才。香港員工之薪酬待遇包括基本薪金、酌情花紅，以及如醫療計劃及退休金等其他福利。內地員工按照內地市場條款及福利政策付酬。

本集團為高層管理人員推行花紅計劃，激勵彼等努力使其表現達到本集團之整體盈利及業務發展目標。有關管理花紅按既定算式根據本集團溢利計算。

The remuneration packages of the executive directors of the Company and senior management are determined by the remuneration committee and the Board by reference to their respective duties and responsibilities in the Group, individual performance, achievement of the Group's targets and the prevailing market terms in the industry.

The remunerations of the non-executive and independent non-executive directors of the Company are determined by the Board under the recommendation of the remuneration committee by reference to their duties and responsibilities in the Group, time involvement and prevailing market situation.

In accordance with the specific written terms of reference of the remuneration committee, no directors are allowed to make recommendation on or determine his/her own remuneration.

Committee for Banking Matters

The committee for banking matters of the Company was established by the Board on 28 February 2006 which comprises two members, being the two executive directors of the Company, namely, Mrs. Fung Yi Hao, Yvette (the deputy chairman of the Board) and Mr. Fan Cheuk Hung (the managing director of the Company). This committee's duties are set out in the specific written terms of reference adopted by the Board on 28 February 2006. Its principal duties are to deal with banking matters and issue of guarantees to third party customers subject to upper limits set by the Board.

During the year ended 31 March 2006, three meetings of the committee for banking matters were held to discharge its duties and attendances to the meetings have been shown in the table above.

Proceedings of Board Committees

Each of the audit committee, the remuneration committee and the committee for banking matters described above holds meetings in accordance with the Company's bye-laws, their respective specific written terms of reference and, where applicable, the proceedings of Board meetings.

Minutes of meetings or resolutions in writing of the Board committees will be circulated for Board members' review at the regular Board meetings.

Delegation to Management

The monitoring of the day-today business operations of the Group and the implementation of the business plans and strategies adopted by the Board are performed by the senior management led primarily by the managing director of the Company.

The Group has also set up an executive management committee comprising the two executive directors (being the deputy chairman and the managing director) of the Company and certain senior management staff who shall meet on a monthly basis to discuss and review business operations with significant issues; review the financial and business performance against budget approved by the Board; and review the implementation of the strategies and policies adopted by the Board.

本公司執行董事及高層管理人員之薪酬待遇乃由薪酬委員會及董事會經參考彼等各自於本集團之職務及職責、個人表現、本集團目標之達標情況及業內當時之市場條款而釐定。

本公司非執行董事及獨立非執行董事之薪酬待遇乃由董事會根據薪酬委員會之建議，並經參考各董事於本集團之職務及職責、參與的時間及當時之市場情況而釐定。

根據薪酬委員會之具體書面職權範圍，董事不得就自身之薪酬提出建議或釐定自身之薪酬。

銀行事項委員會

董事會於二零零六年二月二十八日成立本公司之銀行事項委員會，由兩名本公司執行董事一葉儀皓女士（董事會副主席）及樊卓雄先生（本公司董事總經理）組成。此委員會之職責載於經董事會於二零零六年二月二十八日採納之具體書面職權範圍內，其主要職責為在受制於董事會設定之上限金額下處理銀行事項及向第三方客戶發出擔保。

於截至二零零六年三月三十一日止年度內，銀行事項委員會共舉行了三次會議以執行其職務，而有關會議之出席情況載於上表。

董事會轄下委員會之程序

上述各審核委員會、薪酬委員會及銀行事項委員會均根據本公司之章程細則、彼等各自之具體書面職權範圍及（倘適用）董事會會議程序舉行會議。

董事會轄下委員會之會議記錄及書面決議案會於董事會定期會議上傳閱予各董事會成員省覽。

轉授權力予管理層

高層管理人員在本公司董事總經理之領導下，監督本集團之日常業務運作及執行經董事會採納之業務計劃與策略。

本集團亦成立了由兩名本公司執行董事（即副主席及董事總經理）及若干高層管理人員組成之行政管理委員會。行政管理委員會成員會每月召開會議，以討論及檢討有關業務運作之重要事宜、按董事會批准之預算監察本集團之財務及業務表現，以及檢討董事會所採納之策略及政策之實施成效。

Corporate Governance Report

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Financial Reporting

The directors of the Company acknowledge their responsibility for preparing the financial statements of the Company on a going concern basis. With the support of the finance team led by the chief financial officer, the directors of the Company have ensured that the financial statements for the year ended 31 March 2006 of the Company are prepared in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and appropriate accounting policies applied consistently. To the best of knowledge of the directors of the Company, there is no uncertainty relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In preparing the interim and annual financial statements, announcements and other financial disclosures required under the Listing Rules, the directors aim at presenting a balanced, clear and understandable assessment of the Group's position and prospect.

The auditors' report, which contains the statement of the auditors of the Company about their reporting responsibilities on the Company's financial statements, is set out in page 62 of this annual report.

Financial information put before the Board for approval by the management is accompanied by sufficient explanations to enable the directors to make an informed assessment.

Internal Audit

In accordance with the audit scope, objectives and audit cycle as set out in the internal audit strategy memorandum agreed by the audit committee, the internal audit team examines the processes, practices and procedures of internal control for business operations and corporate functions of the Group on a regular basis. The primary objective of internal audit is to provide objective assurance on the system of internal control, report the findings and give recommendations to improve weaknesses as identified during examination, so as to ensure a reliable internal control system is in place.

Auditors' Remuneration

During the year, the fees payable/paid for audit/non-audit services rendered by the Company's external auditors, Messrs. PricewaterhouseCoopers, are as follows:

		HK\$ 港幣元
Audit services	審核服務	670,800
Non-audit services	非審核服務	6,150

Non-audit services provided by PricewaterhouseCoopers were related to advice given to a subsidiary of the Company in preparing requisite financial information to fulfill the requirement for submission of a tender and such non-audit services are considered to be insignificant and have not affected the independence of PricewaterhouseCoopers.

財務匯報

本公司董事明白，彼等有責任在擬備本公司的財務報表時應以本公司持續經營基準編製。在財務總監統領的財務隊伍支援下，本公司董事確保本公司截至二零零六年三月三十一日止年度之財務報表乃按照香港會計師公會頒佈之《香港財務報告準則》及《香港會計準則》之規定編製，並已貫徹應用適當之會計政策。就本公司董事深知，概無任何不明朗因素或情況可能會嚴重影響本公司持續經營之能力。

在編製中期與年度財務報表、公佈及根據上市規則之規定須予披露之其他財務資料時，董事會均以平衡、清晰及易於明白地評審本集團之情況及前景為目標。

核數師報告（當中載有本公司核數師就本公司財務報表之匯報責任所作聲明）載於本年報第62頁。

管理層提交予董事會批准之財務資料隨附充份的解釋，讓董事會可以就有關財務資料作出知情評審。

內部審核

根據經審核委員會同意之內部審核策略備忘錄所載的審核範圍、目標及審核周期，內部審核隊伍定期考查本集團之業務運作及企業職能之內部監控流程、慣例與程序。內部審核之主要目標為就內部監控制度提供客觀保證、呈報調查結果以及就考查時獲悉有關內部監控不足之處提供改善意見，以確保本公司擁有一個可靠的內部監控制度。

核數師酬金

年內，就本公司外聘核數師羅兵咸永道會計師事務所所提供之審核／非審核服務而應予支付／已支付之費用如下：

羅兵咸永道會計師事務所所提供之非審核服務是有關於其向本公司之一家附屬公司按投標規定而編製必要財務資料時所提供之意見。上述非審核服務被視為微不足道，並無影響羅兵咸永道會計師事務所之獨立性。

Shareholders' Rights, Investor Relations and Communications with Shareholders

The Board recognises the importance of fostering effective communications with the shareholders, and is committed to disseminating information to shareholders in a timely manner through different channels including interim and annual reports, press announcements and circulars.

By adopting a proactive policy of promoting investor relations and communications, the Company also sets up briefing meetings with institutional shareholders and analysts promptly after its interim and annual results announcements.

The Company's website at www.synergis.com.hk serves as another means of maintaining close communications with and dissemination of financial and non-financial information to shareholders and investors. Information on the website such as announcements, press releases, interim and annual reports and other developments of the Company is regularly updated.

Comments and suggestions from shareholders or investors are welcome through the following channels to the Company:

- (i) by post to the Company's Hong Kong principal place of business at 3rd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
- (ii) by facsimile transmission to (852) 2516 7431
- (iii) by telephone at (852) 2579 8313
- (iv) by email at info@synergis.com.hk

Annual general meeting is deemed by the Company as an important forum for the shareholders to communicate directly with the Board members. Directors as well as external auditors will attend annual general meeting to answer shareholders' queries.

However, owing to urgent business engagements, the chairman and deputy chairman of the Board were both not able to attend the 2005 annual general meeting of the Company held on 28 July 2005. In their absence, the alternate director to the deputy chairman had attended and took the chair of the said annual general meeting and ensured that proceedings of the meeting were conducted in order. Despite the absence of the chairman and deputy chairman of the Board, the Company considers that members of the Board and the audit committee present at the said annual general meeting were already of sufficient calibre and number to address shareholders' queries.

股東權利、投資者關係及與股東之溝通

董事會深明與股東建立有效溝通之重要性，並一直致力透過中期與年度報告、報章公佈及通函等不同的渠道，適時向股東發放資料。

本公司亦採取積極政策，透過於公佈中期及年度業績後隨即與機構股東及分析員舉行簡介會，促進投資者關係及溝通。

本公司之網站 www.synergis.com.hk 為本公司與股東及投資者保持密切溝通及向彼等發放財務及非財務資料之另一途徑。在網頁內登載如公佈、新聞稿、中期與年度報告及有關本公司其他發展等資料，均會定期更新。

股東或投資者如有任何意見及建議，歡迎透過下列途徑提交予本公司：

- (i) 郵寄至本公司之香港主要營業地點，地址為香港九龍觀塘偉業街107-109號新昌中心3樓
- (ii) 傳真至(852) 2516 7431
- (iii) 致電(852) 2579 8313
- (iv) 發送電郵致 info@synergis.com.hk

本公司視股東週年大會為讓股東與董事會成員直接溝通之重要研討會。董事及外聘核數師均會出席股東週年大會解答股東提問。

然而，由於董事會主席及副主席有重要業務安排，故未能出席本公司於二零零五年七月二十八日舉行之二零零五年股東週年大會。由於彼等未克出席，故副主席之替代董事已出席並主持上述股東週年大會，確保會議程序得以有序進行。儘管董事會主席及副主席均告缺席，惟本公司認為出席上述股東週年大會之董事會及審核委員會成員具有足夠才幹和人數，以解答股東提問。

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At the 2005 annual general meeting of the Company, among the other businesses transacted, special resolution was passed to amend certain provisions in the Company's bye-laws mainly to facilitate alignment with the amendments to the Listing Rules. Save as disclosed, no significant change in the Company's bye-laws was made.

Having recognised the effectiveness of annual general meeting as a communication channel with the shareholders, the Company shall make appropriate arrangements to facilitate the chairmen of the Board, the audit committee and the remuneration committee to attend future annual general meetings of the Company.

Annual general meeting is convened by giving to shareholders at least 21 clear days prior notice together with detailed agenda on the resolutions to be proposed. Separate resolution is proposed at annual general meeting on each substantially separate issue, including the election of each individual director.

In accordance with the bye-laws of the Company, any shareholder holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meeting shall have the right, by written requisition served onto the Board or the company secretary, to require a special general meeting to be called by the Board for transaction of any business specified in such requisition.

Details of the right of shareholders to demand a poll and procedures of poll voting at general meeting will be included in each circular relating to the convening of a general meeting. The chairman of the meeting will also explain the poll voting procedures at the relevant general meeting.

Continuous Corporate Governance Enhancement

The Board is of the view that applying and complying with the code provisions in the CG Code represents only one further step for continuous corporate governance enhancement. The Board will continue to devote efforts to improving its corporate governance practices including giving close attention to any regulatory changes with a view to continuously developing a corporate culture built on ethic and integrity and increasing shareholder value as a whole.

於本公司二零零五年股東週年大會上，除已處理之其他事務以外，一項有關修訂本公司章程細則中之若干條文的特別決議案曾獲得通過，使有關條文與上市規則之修訂符合一致。除上文所披露者外，本公司之章程細則並無任何重大變動。

本公司認同股東週年大會為與股東溝通之有效渠道，故將作出適當安排，以便董事會主席、審核委員會主席及薪酬委員會主席均能出席本公司於未來舉行之股東週年大會。

召開股東週年大會須至少21整日前向股東發出大會通告連同載有將予提呈之決議案的詳細議程。在股東週年大會上，會議主席會就每項實際獨立之事宜個別提出決議案，包括選舉個別董事。

根據本公司章程細則之規定，任何持有本公司繳足股本不少於十分之一並有權於股東大會上投票之股東，均有權向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求列明之任何事項。

股東要求以投票方式表決之權利及在股東大會上以投票方式表決之程序詳情，會載於每份涉及召開股東大會之通函內。大會主席亦將於有關股東大會上解釋以投票方式表決之程序。

不斷提升企業管治水平

董事會認為，應用及遵守企業管治常規的守則條文僅代表不斷提升企業管治水平之進一步措舉。董事會將繼續努力改善其企業管治常規，包括密切留意任何法規變動，旨在致力持續建立一個高尚及廉正的企業文化，及不斷提升股東的整體利益。