

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance and strives to continually improve on its governance processes as articulated in the new Code on Corporate Governance Practices as set out by the Exchange.

Save as disclosed herein with regards to the amendment to Article 78 and Article 79 of the Company's Articles of Association which is subject to shareholders' approval at the forthcoming annual general meeting, the Company has complied with the Code on Corporate Governance Practices.

BOARD OF DIRECTORS

The Board of Directors (the "Board") is presently composed of eight members, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. The Directors are, collectively and individually, aware of their responsibilities to the shareholders. The Directors' profile are set out on pages 9 and 10 of this Annual Report. The relationship among members of the Board are also disclosed.

The Board members as at 31 March 2006 were:

Executive Directors

Mr. Chan Heng Fai (*Executive Chairman*)
Mr. Chan Tong Wan (*Chief Executive Officer*)
Ms. Chan Yoke Keow
Ms. Chan Sook Jin, Mary-ann

Non-executive Director

Mr. Fong Kwok Jen

Independent Non-Executive Directors ("INEDs")

Mr. Lee Ka Leung, Daniel
Mr. Wong Dor Luk, Peter
Mr. Joao Paulo Da Roza

The Board is responsible for directing the Group to success and enhancing shareholders' value by formulating the Group's overall strategy, key objectives and policies. The Board monitors and oversees the operating and financial performance of the Group pursuant to these objectives.

To assist the Board in its functions, the Board established and delegated specific responsibilities to two Board Committees, namely the Audit Committee and the Remuneration Committee. The respective roles and responsibilities of each Board committee, their work and activities are included in this Report.

The Board has also delegated the day-to-day management and operation of the Group's business to the management team.

企業管治報告

企業管治常規

本公司銳意維持高度企業管治，並按照聯交所頒佈之新訂企業管治常規守則清晰訂明之條文，不斷致力改善其管治程序。

除本文就有關修訂本公司之組織章程細則第78條及第79條而須於應屆股東週年大會上取得股東批准所披露者外，本公司已遵守企業管治常規守則。

董事會

董事會（「董事會」）現有八名成員，當中包括四名執行董事、一名非執行董事及三名獨立非執行董事。董事已共同及個別知悉彼等須對股東履行之責任。董事簡介載於本年報第9及第10頁。董事會各成員間之關係亦會作出披露。

於二零零六年三月三十一日，董事會成員包括：

執行董事

陳恒輝先生（*執行主席*）
陳統運先生（*行政總裁*）
陳玉嬌女士
陳淑貞女士

非執行董事

鄭國禎先生

獨立非執行董事（「獨立非執行董事」）

李家樑先生
王多祿先生
Joao Paulo Da Roza先生

董事會負責透過制訂本集團之整體策略、主要目標及政策而領導本集團邁向成功路，以及提升股東價值。董事會根據此等目標管轄及監察本集團之營運及財務表現。

為協助董事會發揮其職能，董事會成立兩個董事會轄下之委員會，包括審核委員會及薪酬委員會，並向該兩個委員會指派特定職責。董事會轄下各委員會之角色及職責、其工作及事務亦載入本報告內。

董事會亦將本集團業務之日常管理及營運工作指派予管理團隊。

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are segregated and their positions held by different individuals to ensure their respective independence, accountability and responsibility. The Chairman is responsible for providing leadership to and overseeing the function of the Board while the Chief Executive Officer is responsible for implementing the Board's strategy and managing the Group's business and operations.

NON-EXECUTIVE DIRECTORS

There are currently four non-executive Directors on the Board, three of whom are independent. They have been appointed for a specific term and subject to retirement by rotation in accordance with the Company's Articles of Association and thus submit themselves, on a rotation basis, for re-election by shareholders.

In accordance with the current Articles of Association, one-quarter of the Directors, or such number nearest one-quarter, are subject to retirement by rotation each year but the executive chairman and managing director of the Company are not subject to retirement by rotation and does not subject every Director to retirement at least once every three years which deviate from the requirement of the new Code on Corporate Governance Practices. A resolution will be proposed at the forthcoming annual general meeting scheduled on 23 August 2006 to amend the Company's Articles of Association to bring it in line with this requirement.

AUDIT COMMITTEE

The Audit Committee was established on 27 February 1995 and comprises the three INEDs:

Mr. Lee Ka Leung, Daniel (*Committee Chairman*)
Mr. Wong Dor Luk, Peter
Mr. Joao Paulo Da Roza

The terms of reference of the Audit Committee was revised on 30 September 2005 in accordance with the requirements of the new Code on Corporate Governance Practices. The primary duties of the Audit Committee include the review of financial information, overseeing the financial reporting system and internal control procedures as well as maintaining a working relationship with the external auditors.

During the year ended 31 March 2006, the Audit Committee met 2 times to review, consider and discuss: the appointment, scope, plan and fee of the external auditors; the external auditors' audit findings covering internal control and risk management issues; the interim and annual financial results and statements and other financial reporting matters.

企業管治報告

主席及行政總裁

主席及行政總裁之角色已予區分，該兩個職位不應由同一人擔任，藉以確保彼等各自之獨立性、問責性及責任。主席負責領導董事會，並監察董事會之職能，而行政總裁則負責執行董事會之策略及管理本集團之業務與營運。

非執行董事

董事會現有四名非執行董事，其中三名為獨立非執行董事。非執行董事按指定任期而獲委任，並須根據本公司之組織章程細則輪值退任，繼而按輪值基準由股東重選連任。

根據現行組織章程細則，四分之一董事或最接近四分之一之董事人數，均須每年輪值退任，惟本公司之執行主席及董事總經理不必輪值退任，並毋須受限於每名董事每三年輪值退任最少一次之規定，而此乃偏離新訂企業管治常規守則之規定。為符合此規定，在謹訂於二零零六年八月二十三日舉行之應屆股東週年大會上將提呈一項決議案，以修訂本公司之組織章程細則。

審核委員會

審核委員會已於一九九五年二月二十七日成立，並由三名獨立非執行董事組成：

李家樑先生 (*委員會主席*)
王多祿先生
Joao Paulo Da Roza先生

審核委員會之職責範圍已於二零零五年九月三十日根據新訂企業管治常規守則之規定而經修訂。審核委員會之主要職責包括審閱財務資料、監督財務申報制度及內部監控程序，以及與外聘核數師保持工作夥伴之關係。

於截至二零零六年三月三十一日止年度內，審核委員會共開會兩次，以檢討、考慮及商討：外聘核數師之委任、職能範圍、計劃及費用；外聘核數師之核數結果（涵蓋內部監控及風險管理事項）；中期及全年財務業績及報表和其他財務申報事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

薪酬委員會

The Remuneration Committee was established on 30 September 2005 and is made up of the two executive Directors and three INEDs:

薪酬委員會已於二零零五年九月三十日成立，並由兩名執行董事及三名獨立非執行董事組成：

Mr. Da Roza Joao Paulo (*Committee Chairman*)
Mr. Lee Ka Leung, Daniel
Mr. Wong Dor Luk, Peter
Mr. Chan Tong Wan
Ms. Chan Yoke Keow

Joao Paulo Da Roza先生 (*委員會主席*)
李家樑先生
王多祿先生
陳統運先生
陳玉嬌女士

The terms of reference of the Remuneration Committee was formulated in accordance with the requirements of the new Code on Corporate Governance Practices. The Remuneration Committee is responsible for developing the remuneration policies of Directors and senior management.

薪酬委員會之職責範圍已根據新訂企業管治常規守則之規定制訂。薪酬委員會負責制訂董事及高級管理層之薪酬政策。

ATTENDANCE RECORD AT BOARD AND AUDIT COMMITTEE MEETINGS

於董事會及審核委員會會議之出席紀錄

The Directors' attendance at Board meetings and Audit Committee meetings during the year are set out below:

年內，各董事於董事會會議及審核委員會會議之出席情況載列如下：

		Number of meeting attended/ Number of meeting held	
		Board 董事會	Audit Committee 審核委員會
<i>Directors</i>	董事		
<i>Executive Directors</i>	執行董事		
Mr. Chan Heng Fai	陳恒輝先生	5/5	N/A 不適用
Mr. Chan Tong Wan	陳統運先生	5/5	N/A 不適用
Ms. Chan Yoke Keow	陳玉嬌女士	5/5	N/A 不適用
Ms. Chan Sook Jin, Mary-ann	陳淑貞女士	4/5	N/A 不適用
<i>Non-Executive Director</i>	非執行董事		
Mr. Fong Kwok Jen	鄺國禎先生	5/5	N/A 不適用
<i>Independent Non-Executive Directors</i>	獨立非執行董事		
Mr. Lee Ka Leung, Daniel	李家樑先生	5/5	2/2
Mr. Wong Dor Luk, Peter	王多祿先生	5/5	2/2
Mr. Joao Paulo Da Roza	Joao Paulo Da Roza先生	5/5	2/2
Number of meeting held during the year	年內舉行之會議次數	5	2

DIRECTORS' SECURITIES TRANSACTIONS

董事之證券交易

The Company has adopted a code for securities transactions by directors (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

本公司已就董事進行之證券交易採納一項守則（「操守守則」），其條款不比上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」）所載之規定準則寬鬆。

Having made specific enquiry, all Directors have confirmed compliance with the Code of Conduct throughout the year ended 31 March 2006.

經作出具體查詢後，全體董事均已確認，彼等於截至二零零六年三月三十一日止年度內一直遵守操守守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

The Directors acknowledge their responsibility for the preparation of the accounts of the Group and that the accounts are issued in accordance with statutory requirements and applicable accounting standards.

董事之問責性

董事確認彼等編製本集團賬目之責任，並已根據法定規定及適用之會計準則刊發賬目。

AUDITORS' REMUNERATION

For the year ended 31 March 2006, the external auditors provided the following services to the Group:

核數師酬金

截至二零零六年三月三十一日止年度，外聘核數師已向本集團提供下列服務：

		<i>HK\$'000</i> 千港元
Audit services	核數服務	<u>1,324</u>