



Experience



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professionalism

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quality



Professionalism

# Corporate Governance Report

## 企業管治報告書

### Corporate Governance Practices

We are firmly committed to statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The Board of Directors reviews the corporate governance practices from time to time to ensure alignment of interests and expectations from our shareholders, the investing public and the other stakeholders.

The Company has, throughout the year ended 31st March, 2007, complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the Code Provision A.2.1 for the separation of the roles of Executive Chairman and Chief Executive Officer.

### 企業管治常規

本集團奉行法定及監管企業管治標準，並時刻遵循注重透明度、獨立、問責、負責與公平之企業管治原則。董事會不時檢討企業管治常規，確保有關常規能符合各股東、公眾投資者及其他利益人士之利益與期望。

本公司於截至二零零七年三月三十一日止年度一直遵守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中之守則條文，惟守則條文第A.2.1條有關執行主席與行政總裁角色區分之守則除外。



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### Board of Directors

The general management of the Company's business is vested in the Board. The Board has established various committees to manage and oversee the specified affairs of the Company. The Board has delegated the day-to-day management power of the Company to the Executive Directors and senior management of the Company.

The Board is committed to the Company's mission to creating value for our shareholders. The Board is responsible for developing the strategic directions for the Company and continuous monitoring of the performance of the general management of the Company. Therefore Strategic Planning has become a very crucial part of the Board's function and a lot of focus and attention has been devoted to such a plan. Strategic planning horizons are generally five years. The Board has adopted its latest Five Year Strategic Plan in 2005 and will be adopting an updated Strategic Plan during the financial year of 2007/2008. It is the practice of the Board to continue to review and update its Strategic Plan for the Company on a regular basis given the changes in the business environment.

A defined schedule of matters reserved for Board decision has been adopted by the Board. Apart from the strategic planning, certain important matters involving finance and shareholders' interests are reserved for approval by the Board, including, for example, annual budget, financial statements against budget, dividend policy, material investments, material acquisitions and disposals; major financing activities and appointment of Director(s) following the recommendation(s) by the Remuneration and Nomination Committee.

### Board Composition

The Board currently comprises five Non-executive Directors and four Executive Directors. Three of the Non-executive Directors are independent, from different business and professional fields. The Independent non-executive Directors represent one-third of the Board. The category, position and brief biographical information of each Director, together with the relationship amongst each other, are set out in the "Directors and Senior Management" section in this Annual Report. The Directors, including the Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions.

### 董事會

董事會負責本公司業務之整體管理工作，其已成立不同之委員會來管理及監察本公司特定範疇之事務。董事會已將本公司之日常管理權力交予本公司之執行董事及高層管理人員。

董事會致力執行為股東創造價值之使命。董事會負責制定本公司之策略方向，不斷監察本公司整體管理表現。因此，策略計劃已成為董事會職能中非常重要之一環，而本公司已將策略計劃視為焦點及重點所在。策略計劃一般涵蓋五年。董事會已於二零零五年採納其最新之五年策略計劃，並將於二零零七／二零零八財務年度採納經更新之策略計劃。基於經營環境之改變，董事會會持續定期檢討及更新本公司之策略計劃。

董事會已採納一個明確之預定計劃表，列載須要董事會作決定之事項。除策略計劃外，涉及財政及股東權益等重要事宜均須經董事會審批，舉例來說，有關事項包括年度預算、財務報表與預算之比較、股息政策、重大投資、重大收購及出售；主要融資活動及根據薪酬及提名委員會之建議委任董事。

### 董事會組成

董事會現由五位非執行董事及四位執行董事組成。其中三位非執行董事為來自不同行業及專業界別之獨立人士。獨立非執行董事佔董事會人數之三分之一。各董事所屬之類別、職位及簡歷以及彼此間之關係載於本年報「董事及高層管理人員」一節。董事們(包括非執行董事)廣泛而寶貴之業務經驗、知識及專業精神，有助董事會有效率及有效地履行其職責。

## Corporate Governance Report 企業管治報告書

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

The Company has arranged Directors' and Officers' Liability Insurance for the Directors and Officers of the Company.

### Chairman and Chief Executive Officer

Code Provision A.2.1 of the Listing Rules sets out that the roles of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Winston Yau-lai LO is the Executive Chairman and Chief Executive Officer of the Company. At the present stage, the roles of the Chairman of the Board and Chief Executive Officer of the Company are performed basically by Mr. Winston Yau-lai LO. However, the Board of Directors and the Executive Chairman of the Company fully recognise that the respective roles of the Chairman of the Board and the Chief Executive Officer should be separated in the course of time to ensure better checks and balances and hence better corporate governance.

We regret to note the resignation of Mr. Ambrose Kam-shing CHAN, Chief Executive, Asia. We have recently promoted Mr. Laurence P. EISENTRAGER, Chief Executive, Hong Kong to the Group Chief Executive Officer reporting to the Chairman of the Board effective from 1st August, 2007, upon the departure of Mr. Ambrose Kam-shing CHAN on 26th July, 2007. Mr. Laurence P. EISENTRAGER will start to assume the executive responsibilities from the Executive Chairman and this is expected to take place in the course of the next 18 months. We still envisage that the transition process of assigning the responsibilities of the Executive Chairman to the Group Chief Executive Officer will progress smoothly.

本公司已收到各獨立非執行董事根據上市規則第3.13條就其身份之獨立性發出之週年確認書。本公司認為各獨立非執行董事確屬獨立人士。

本公司已為本公司董事及行政人員投保董事及行政人員之責任保險。

### 主席及行政總裁

上市規則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由同一人同時兼任。羅友禮先生為本公司之執行主席及行政總裁。在現階段，本公司之董事會主席及行政總裁之角色基本上由羅友禮先生出任。惟本公司董事會與執行主席皆充份明白董事會主席與行政總裁之角色終須予以劃分，確保更佳之相互制衡，達致更美好之公司管治。

本集團對陳錦勝先生辭任亞洲區行政總裁一職深感惋惜。陳錦勝先生將於二零零七年七月二十六日離任，本集團最近已晉升香港區行政總裁黎信彥先生為集團行政總裁，由二零零七年八月一日起生效，黎信彥先生將直接向董事會主席匯報。預期於未來十八個月期間黎信彥先生將開始逐步履行執行主席之行政職責。本集團預料執行主席之職責將可於交接期間順利移交予集團行政總裁。



## Corporate Governance Report 企業管治報告書

### Board Proceedings

The Board met six times in fiscal year of 2006/2007 to mainly discuss and approve the overall business strategies, to review and monitor the financial and operating performance of the Group and its business units respectively, and to consider and approve the annual budget for the Group.

All Directors have full and timely access to all relevant information in relation to the Company. There are established procedures for Directors to seek independent professional advice for them to discharge their duties and responsibilities, where appropriate, at the Company's expense.

Individual attendance of each Board member at these meetings is as follows:

### 董事會程序

於二零零六／二零零七財政年度內董事會共開會六次，主要討論及批准整體業務策略、檢討及監察本集團及各業務單位之財務及營運表現，及考慮與批准本集團之全年預算。

各董事均可全面而適時地獲得一切有關本公司之資料。本公司已有既定程序讓董事為其履行職責及責任(視情況而定)而諮詢獨立專業意見，費用由本公司支付。

董事會各成員於該等會議之出席率表列如下：

		Attendance 出席率
<b>Independent Non-executive Directors</b>		
Dr. The Hon. Sir David Kwok-po LI	<b>獨立非執行董事</b> 李國寶爵士	5/6
Mr. Iain F. BRUCE	布魯士先生	4/6
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	3/5
Mr. Chi-kian SHIU (retired on 11th September, 2006)	邵志堅先生 (於二零零六年九月十一日退休)	3/3
<b>Non-executive Directors</b>		
Ms. Myrna Mo-ching LO	<b>非執行董事</b> 羅慕貞女士	5/6
Ms. Yvonne Mo-ling LO	羅慕玲女士	6/6
<b>Executive Directors</b>		
Mr. Winston Yau-lai LO (Chairman)	<b>執行董事</b> 羅友禮先生(主席)	6/6
Mr. Ambrose Kam-shing CHAN	陳錦勝先生	6/6
Mr. Eric Fat YU	余發先生	5/6
Mr. John Shek-hung LAU	劉錫鴻先生	6/6

## Corporate Governance Report 企業管治報告書

### Appointment, Re-election and Removal of Directors

The appointment of a new Director is made on the recommendation of the Remuneration and Nomination Committee of the Company or by shareholders in general meeting. Any Director who is appointed by the Board shall retire at the next General Meeting.

The Non-executive Directors of the Company do not have a specific term of appointment. Under the Company's current Articles of Association, all Directors are subject to retirement by rotation at least every three years and one-third (or the number nearest to but not exceeding one-third) of Directors shall retire from office every year at the Company's Annual General Meeting. The term of appointment of a Director cannot exceed three years.

Induction programmes are arranged for the newly appointed Directors on the general business of the Company. On appointment, new Directors will also be given an induction programme kit advising them of their responsibilities and duties as Directors under various regulatory requirements and the Board procedures, including the Terms of Reference of the Board Committees.

### Responsibilities of Directors

Directors acknowledge their responsibilities for preparing the financial statements of the Company. Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Annual Financial Statements for 2006/2007 are prepared on a going-concern basis. All the new accounting standards and policies adopted by the Company have been thoroughly discussed and approved at the Audit Committee before adoption by the Board.

The Group has adopted its own Code for Securities Transactions by Directors (the "Code") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules. Specific enquiry was made of all Directors and all Directors have confirmed compliance with the required standard set out in the Code for the year ended 31st March, 2007.

### 董事之委任、重選及 罷免

本公司乃根據本公司薪酬及提名委員會之建議或通過股東大會委任新董事。凡董事會委任之董事均須於下一屆股東大會上告退。

本公司之非執行董事並非以指定任期委任。根據本公司現行之章程細則，全體董事均須最少每三年輪值告退，而每年須有三分之一（或最接近但不能超越三分之一）之董事於本公司股東週年大會上退任。委任董事之年期不得超過三年。

本公司會安排為新委任董事介紹本公司業務概況。新任董事獲委任後亦會獲發一套就任須知資料，以便彼等了解董事在不同監管規定及董事會程序（包括董事委員會之職權範圍）下之責任及職責。

### 董事責任

董事對編製本公司財務報表承擔責任。董事並不知悉有任何重大不明朗之事件或情況可能會嚴重影響本公司持續經營之能力。二零零六 / 二零零七年之全年財務報表乃按持續經營基準編製。本公司採納之所有新會計準則及政策先由審核委員會經周詳討論後批准，然後再提交予董事會採納。

本集團已就董事之證券交易採納一套行為守則（「守則」），其條款不比上市規則附錄10所載之上市公司董事進行證券交易之標準守則載列之規定標準寬鬆。本公司已對各董事作出具體查詢，而各董事於截至二零零七年三月三十一日止年度均確認遵守守則載列之規定標準。

## Corporate Governance Report 企業管治報告書

### Board Committees

The Board has established an Executive Committee, a Remuneration and Nomination Committee and an Audit Committee.

#### Executive Committee

The Executive Committee was established in 2001. Its current members include all four Executive Directors, who are:

Mr. Winston Yau-lai LO (Chairman)  
Mr. Ambrose Kam-shing CHAN  
Mr. Eric Fat YU  
Mr. John Shek-hung LAU

The Executive Committee operates as a general management committee under the direct authority of the Board to deal with certain operational matters of the Group.

#### Remuneration and Nomination Committee

The Compensation Committee was established in February 1994 and was renamed as "Remuneration and Nomination Committee" on 2nd February, 2005 with increased scope of authority. This Committee now comprises three Independent Non-executive Directors and two Non-executive Directors and its current members are :

##### Independent Non-executive Directors

Dr. The Hon. Sir David Kwok-po LI (Chairman)  
Mr. Iain F. BRUCE  
Mr. Jan P. S. ERLUND

##### Non-executive Directors

Ms. Myrna Mo-ching LO  
Ms. Yvonne Mo-ling LO

The Committee was set up to consider and approve the remuneration packages of Executive Directors and Senior Management of the Group, including salaries, benefits in kind and bonuses; the bonus schemes and the other long-term incentive schemes, including share option and other plans. The Committee also reviews the structure, size and composition (including the skills, knowledge and experience) of the Board from time to time and recommends to the Board on appointments of Directors and the succession planning for Directors.

### 董事委員會

董事會轄下已成立執行委員會、薪酬及提名委員會及審核委員會。

#### 執行委員會

執行委員會於二零零一年成立，現成員包括全部四位執行董事，分別為：

羅友禮先生 (主席)  
陳錦勝先生  
余發先生  
劉錫鴻先生

執行委員會為一般管理委員會，直屬於董事會，處理本集團部份營運事宜。

#### 薪酬及提名委員會

薪酬委員會於一九九四年二月成立，於二零零五年二月二日改名為「薪酬及提名委員會」，其職權範圍亦加以擴大。目前，委員會成員包括三位獨立非執行董事及兩位非執行董事，現成員為：

##### 獨立非執行董事

李國寶爵士 (主席)  
布魯士先生  
Jan P. S. ERLUND先生

##### 非執行董事

羅慕貞女士  
羅慕玲女士

委員會之成立旨在審批本集團執行董事及高層管理人員之薪酬福利組合，包括薪金、非金錢利益及花紅；花紅計劃及其他長期獎勵計劃，包括購股權及其他計劃。委員會亦不時檢討董事會之架構、規模及組成(包括董事之技能、知識及經驗)，並就董事之委任及董事繼任計劃向董事會提出建議。

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The Committee met four times in fiscal year of 2006/2007. Individual attendance of each Committee member at these meetings is as follows:

於二零零六 / 二零零七財政年度內委員會共開會四次。各成員於該等會議之出席率表列如下：

		Attendance 出席率
<b>Independent Non-executive Directors</b>		
Dr. The Hon. Sir David Kwok-po LI	獨立非執行董事 李國寶爵士	4/4
Mr. Iain F. BRUCE	布魯士先生	2/4
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	3/3
Mr. Chi-kian SHIU (retired on 11th September, 2006)	邵志堅先生 (於二零零六年九月十一日退休)	2/2
<b>Non-executive Directors</b>		
Ms. Myrna Mo-ching LO	非執行董事 羅慕貞女士	3/4
Ms. Yvonne Mo-ling LO	羅慕玲女士	4/4
<b>Attendance By Invitation: Executive Director</b>		
Mr. Winston Yau-lai LO	應邀出席： 執行董事 羅友禮先生	4/4

### Report of the Remuneration and Nomination Committee

The Committee has reviewed, discussed and approved the remuneration policies, remuneration of Senior Management including the Executive Directors and key executives of the Group by reference to the individuals' job responsibilities and performances, industry benchmarks and prevailing market conditions. The Committee has also approved the discretionary bonuses and the grant of share options, having given due consideration to both the Group's financial performance and the individuals' performances during the year in accordance with the performance-based compensation policy recommended by an independent consultant. No individual Executive Director has voted in deciding his own remuneration.

During the year, the Committee nominated Mr. Jan P. S. ERLUND as an Independent Non-executive Director for approval of appointment by the Board. Mr. Jan P. S. ERLUND was appointed as an Independent Non-executive Director of the Company on 6th July, 2006.

### 薪酬及提名委員會之報告

委員會已審議、討論及批准薪酬政策、本集團高層管理人員(包括執行董事及主要行政人員)之酬金，當中已參考個別人士之職責及表現、同業水平及主要市場環境。委員會根據獨立顧問建議之按表現而釐定之薪酬政策，充份考慮本集團之財務表現及有關人士年內之個人表現後，已批准發放酌情花紅及授出購股權。各執行董事並無於釐定其薪酬之決策程序中投票。

年內，委員會提名Jan P. S. ERLUND先生出任獨立非執行董事待董事會批准。Jan P. S. ERLUND先生於二零零六年七月六日獲委任為本公司之獨立非執行董事。



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### Audit Committee

The Audit Committee was established in 1999. Its current members include three Independent Non-executive Directors, who are:

Mr. Iain F. BRUCE (Chairman)  
Dr. The Hon. Sir David Kwok-po LI  
Mr. Jan P. S. ERLUND

The Audit Committee's terms of reference are to make recommendations to the Board on the appointment, reappointment and removal of the External Auditors and any questions of resignation or dismissal, their audit fees, matters relating to the independence of the External Auditors; to meet with the External Auditors to discuss the nature and scope of the audit, and matters of concern when requested to do so by the External Auditors; to review the interim financial report and annual financial statements before they are submitted to the Board; to discuss problems and reservations arising from the interim review and final audit, and any other matters the External Auditors may wish to discuss, and to review the External Auditors' management letter and management's response; to review the internal audit programmes and to ensure co-ordination between the Internal and External Auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group; and to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative, and management's response.

The Audit Committee met three times in fiscal year of 2006/2007. Individual attendance of each Committee member at these meetings is as follows:

### 審核委員會

審核委員會於一九九九年成立，現成員包括三位獨立非執行董事，分別為：

布魯士先生(主席)  
李國寶爵士  
Jan P. S. ERLUND先生

審核委員會之職權範圍包括就外聘核數師之委任、重新委任及罷免，或處理任何有關該核數師辭職或辭退該核數師、核數師酬金、外聘核數師之獨立性等事宜向董事會提供意見；與外聘核數師開會討論審核工作之性質及範圍及應外聘核數師要求處理值得關注事項；審閱中期財務報告及全年財務報表以便上呈董事會；討論源於中期審閱及年結審核過程發現之問題及保留意見，及任何其他外聘核數師欲討論之事宜；審閱外聘核數師致管理層之函件及管理層之回應；審閱內部稽核計劃並確保內部稽核師及外聘核數師間之協調；確保內部稽核職能備有足夠資源及地位；及審議自行或由董事會委派或因應管理層回應等關於內部監控等事宜之主要調查結果。

於二零零六／二零零七財政年度內審核委員會共開會三次。各成員於該等會議之出席率表列如下：

		Attendance 出席率
<b>Independent Non-executive Directors</b>		
Mr. Iain F. BRUCE	獨立非執行董事 布魯士先生	3/3
Dr. The Hon. David Kwok-po LI	李國寶爵士	3/3
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	1/2
Mr. Chi-kian SHIU (retired on 11th September, 2006)	邵志堅先生 (於二零零六年九月十一日退休)	1/1
<b>Attendance by Invitation:</b>		
Executive Chairman	應邀出席： 執行主席	3/3
Group Senior Director - Finance and Administration	集團財務及行政高級總監	3/3
Group Internal Audit Director	集團內部審核總監	3/3
External Auditors	外聘核數師	3/3

## Corporate Governance Report 企業管治報告書

### Report of the Audit Committee

The Audit Committee has reviewed the revised accounting standards, the 2006/2007 interim financial report and annual financial statements with management and the Company's External Auditors, and recommended their adoption by the Board. The Committee also reviewed with the Internal Auditor the Company's internal control systems and the periodic audit reports prepared by the Internal Auditor, and approved the 2007/2008 audit plan.

The Committee has met with the External Auditors to discuss the nature and scope of the audit and reporting obligations prior to the commencement of the audit. The Audit Committee has also reviewed and considered the terms of engagement of the External Auditors, including assessing their independence and objectivity. The Audit Committee has also reviewed and approved/preapproved the audit and non-audit services provided by the External Auditors, together with their respective fees.

### System of Internal Control

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

Directors, through the Audit Committee, have conducted an annual review of the effectiveness of the system of internal control of the Group. The review covers all material controls, including financial, operational and compliance controls and risk management functions.

### 審核委員會報告

審核委員會已連同管理層及本公司外聘核數師審閱經修訂之會計準則、二零零六 / 二零零七年度之中期財務報告及全年財務報表，並建議董事會予以採納。委員會亦與內部稽核師檢討本公司之內部監控系統及審閱內部稽核師定期編製之稽核報告，並已批准二零零七 / 二零零八年之稽核方案。

委員會已於審核工作開始前，與外聘核數師開會討論審核工作之性質及範疇以及匯報責任。審核委員會亦已審閱及考慮外聘核數師之委聘條件，包括評估其獨立客觀性。審核委員會已審閱並批准 / 預先批准外聘核數師提供之審核及非審核服務及各有關收費。

### 內部監控系統

董事會之整體職責是要為本集團維持良好和有效之內部監控系統。本集團之內部監控系統包括界定授權限額之清晰管理架構，旨在幫助公司達致各項業務目標、保障資產免於未經授權之挪用或處置、確保維持妥善之會計記錄以提供可靠之財務資料供內部使用或作公佈之用，以及確保遵守各項相關法律及法規。此系統提供合理（但非百分百）之保證避免營運系統出現重大錯誤或損失，並管理（而非消除）失誤之風險，為協助本集團達致目標。

董事透過審核委員會每年審閱本集團內部監控系統之有效性。有關審閱工作涵蓋所有重要之監控範疇，包括財務、營運及合規監控以及風險管理功能。

## Corporate Governance Report 企業管治報告書

The Audit Committee recognises the importance of maintaining a sound and effective internal control system to safeguard the shareholders' investments and the Company's assets, and believes this is a continuous process. In order to evaluate and to further improve the effectiveness of its internal control system, the Company engaged one of the leading accounting firms ("Consultant") last year to conduct a Risks Assessment and benchmark the Company's performance against the internal control framework of COSO (Committee of Sponsoring Organisations of the Treadway Commission in the United States). All the findings for improvement and recommendations made by the Consultant, which require management's attention, have been properly addressed. Adopting one of the rectification actions suggested, the Company has upgraded the Internal Audit Department to a group function during the year under review.

### Internal Audit

The Group Internal Audit Department carries out annual risk assessment on auditable areas in accordance with a Risk-based Internal Audit Rolling Plan reviewed and pre-approved by the Audit Committee. In addition to its scheduled reviews, the Group Internal Audit Department also conducts other ad hoc reviews whenever deemed necessary. The results of significant internal audit reviews (and as applicable, agreed rectification plans) are reported to the Company's senior executives and Audit Committee periodically. The Group Internal Audit Department also follows up the rectification actions to ensure that satisfactory controls are maintained.

### External Auditors

KPMG has been appointed as the External Auditors of the Company by shareholders at the last Annual General Meeting. An amount of HK\$2.8 million (2005/2006: HK\$2.8 million) was charged for the fiscal year of 2006/2007 for KPMG's statutory audits for the Company and subsidiaries. The amount for the other non-audit services provided by KPMG for the Company and subsidiaries during the year was HK\$2.6 million (2005/2006: HK\$2.3 million). The non-audit services mainly comprised consultation and tax advisory services.

The responsibilities of the External Auditors with respect to the 2006/2007 financial statements are set out in the section of "Independent Auditor's Report" on pages 57 and 58.

審核委員會明白維持良好和有效之內部監控系統以保障股東投資及本公司資產之重要性，並且相信須要持之以恆。為了評估及進一步改善其內部監控系統之有效性，本公司去年聘用一間著名會計師行（「顧問」），根據美國交易委託倡導組織委員會之內部監控框架基準為本公司進行風險評估及定下表現基準。本集團已妥善地處理顧問提出而須管理層關注之所有改善意見及建議。本公司已採納其中一項改善建議，於回顧年度將內部稽核部門提升至集團職能層面。

### 內部稽核

本集團之內部稽核部門根據經審核委員會審閱及事先批准以風險為本之滾動稽核計劃對可以稽核之範疇進行年度風險評估。除了此按計劃進行之審閱外，本集團之內部稽查部門亦會於有需要時進行其他專項審閱工作。重大內部稽核審閱（及協定之改善計劃（如適用））之結果會定期向本公司之高級行政人員及審核委員會匯報。本集團之內部稽核部門亦會跟進有關改善措施確保維持令人滿意之監控制度。

### 外聘核數師

畢馬威會計師事務所已於去屆股東週年大會上獲股東委聘為本公司外聘核數師。畢馬威會計師事務所為本公司及其附屬公司所提供之二零零六／二零零七財政年度法定審核服務之費用為港幣2,800,000元（二零零五／二零零六年：港幣2,800,000元）。畢馬威會計師事務所於年內為本公司及其附屬公司所提供之其他非審核服務費用為港幣2,600,000元（二零零五／二零零六年：港幣2,300,000元）。非審核服務主要包括顧問及稅務顧問服務。

外聘核數師就二零零六／二零零七年財務報表所負之責任列載於第57及58頁之「獨立核數師報告書」一節。

## Corporate Governance Report 企業管治報告書

### Communications with Shareholders and Investors

We believe accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with our shareholders, including institutional investors, is crucial. We manage investor relations systematically as a key part of our operations.

The Company's Annual General Meeting is one of the important forums to communicate with its shareholders. During the 2006 Annual General Meeting, the Chairman of the Board briefed shareholders the business review and the outlook of the Group and answered questions raised by shareholders. The chairman of the Audit Committee, and a member of the Remuneration and Nomination Committee were also in attendance at the Annual General Meeting to answer questions raised by shareholders.

Separate resolutions in respect of each substantial issue, including the appointment and re-election of Directors were proposed by the Chairman at the Annual General Meeting. The Company's Articles of Association provide the rights of shareholders, and the procedures to demand a poll vote on resolutions at general meetings. Such rights and procedures were detailed in the circular relating to the Annual General Meeting, and were explained by the Chairman of the Board during the Annual General Meeting before voting on the resolutions. An independent scrutineer was appointed to count the votes and the voting results were announced at the Annual General Meeting.

We also maintain a website ([www.vitasoy.com](http://www.vitasoy.com)) to keep our shareholders and the investing public posted of our latest business developments, final and interim results announcements, financial reports, public announcements, corporate governance policy and practices, and other relevant shareholder information.

During the year, we continued to follow a policy of maintaining an open and regular dialogue with institutional and minority shareholders, fund managers, analysts and the media through different means, including meetings, presentations, telephone conferences, correspondences, media briefings and press releases to distribute information on the Group's latest developments and strategies. We also continued to be proactive in responding to general enquiries raised by the investing public, individual and institutional investors and investment analysts.

### 與股東及投資者之 溝通

本集團相信問責制及透明度乃良好公司管治不可或缺之部份，故此與股東(包括機構投資者)作適時溝通實為重要。本集團有系統地處理投資者關係並視為本集團之主要工作。

本公司之股東週年大會為其與股東溝通之重要渠道之一。於二零零六年股東週年大會上，董事會主席向股東簡要報告業務回顧及本集團之前景，並回答股東之提問。審核委員會主席、薪酬及提名委員會委員之一亦出席了股東週年大會回答股東之提問。

股東週年大會之主席就各重要事項(包括委任及重選董事)提呈獨立決議案。本公司之章程細則訂明股東之權益及於股東大會提出以投票方式表決之程序。有關權利及程序詳列於有關股東週年大會之通函內，而董事會主席亦於股東週年大會時在提呈決議案投票前作出解釋。本公司並委任獨立監票人進行點票，而投票結果亦於股東週年大會上宣佈。

本集團亦設有網站([www.vitasoy.com](http://www.vitasoy.com))，向股東及公眾投資者匯報本集團最新業務發展概況、年度及中期業績公佈、財務報告、公告、公司管治政策及常規以及其他相關股東資訊。

年內，本集團貫徹通過不同方式與機構及小股東、基金經理、分析員及媒體進行公開定期對話之政策，其形式包括會面、演介會、電話會議、函件、媒體簡報會及新聞稿等，藉以發佈有關本集團最新發展及策略之資料。本集團將繼續積極回應公眾投資者、個人及機構投資者、投資分析員等所提出之一般查詢。