

Corporate Governance Report

企業管治報告

Commitment to Corporate Governance

The Company is committed to maintain statutory and regulatory standards and adherence to the principles of corporate governance emphasizing on transparency, independence, accountability, responsibility and fairness.

The Company has applied the principles of the Code provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 March 2007 (“the year under review”), save for the deviations from Code Provision A.1.1, A.2.1 and A.4.1 as disclosed below.

The Board

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. It should act in the best interest of the Company and its shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The Board currently comprises two executive directors and four independent non-executive directors. The brief biographical details of the directors and relationship among them are set out in the section headed “Biography of Directors and Senior Management” of this report. The executive directors of the Company are responsible for the day to day operations of the Company whereas the independent non-executive directors of the Company are responsible for ensuring a high standard of financial and management reporting to the Board and shareholders as well as to provide a balanced composition in the Board so that there is a strong independent element on the Board.

企業管治承諾

本公司致力保持法定及法規標準，並緊守強調透明、獨立、問責、負責任及公允之企業管治原則。

本公司於截至二零零七年三月三十一日止年度（「回顧年度」）一直應用聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則之守則條文之原則，惟如下文所述偏離守則條文第A.1.1條、A.2.1條及A.4.1條之行為除外。

董事會

董事會負責領導及控制本公司並透過督導及監管本公司事務而令本公司取得佳績。董事會應一直以本公司及其股東最佳利益之方式行事。董事會為本公司制定策略及監察高級管理層之表現及活動。

董事會目前由兩名執行董事及四名獨立非執行董事組成。有關董事之履歷簡介及彼等之間之關係載於本報告「董事及高級管理人員簡歷」一節。執行董事負責本公司之日常運作；獨立非執行董事負責確保向董事會及股東作出之財務及管理報告屬高標準，並使董事會之組成得以平衡，使董事會具有高度獨立性。

Corporate Governance Report

企業管治報告

For the sake of flexibility, the Board holds meeting whenever necessary. During the year under review, the Board held eleven meetings which exceeded the minimum number of board meetings required under Code provision A.1.1., the attendance records of individual directors are as follows:

董事會於有需要時舉行會議以維持靈活性。於回顧年度內，董事會曾舉行十一次會議，數目超過守則條文第A.1.1條文所規定的最低董事會會議數目，個別董事之出席紀錄如下：

Name of Directors	Number of meetings attended	董事名稱	出席會議次數
Executive Directors:		執行董事：	
LEUNG Heung Ying, Alvin (Managing Director) (appointed on 14 June 2007)	—	梁享英 (董事總經理) (於二零零七年六月十四日獲委任)	—
CHUNG Oi Ling, Stella (appointed on 14 June 2007)	—	鍾愛玲 (於二零零七年六月十四日獲委任)	—
LIANG Jin You (Former Chairman and former Managing Director) (resigned on 4 July 2007)	11/11	梁金友 (前主席兼董事總經理) (於二零零七年七月四日辭任)	11/11
LI Kwo Yuk (resigned on 4 July 2007)	11/11	李戈玉 (於二零零七年七月四日辭任)	11/11
LEUNG Kin Yau (resigned on 4 July 2007)	6/11	梁健友 (於二零零七年七月四日辭任)	6/11
OU Jian Sheng (resigned on 4 July 2007)	9/11	歐健生 (於二零零七年七月四日辭任)	9/11
DENG Ju Neng (resigned on 4 July 2007)	8/11	鄧巨能 (於二零零七年七月四日辭任)	8/11
CHEN Vee Yong, Frederick (resigned on 11 July 2007)	4/11	陳維雄 (於二零零七年七月十一日辭任)	4/11
LEE Sang Yoon (appointed on 27 June 2006 and resigned on 11 July 2007)	4/11	李相潤 (於二零零六年六月二十七日獲委任 及於二零零七年七月十一日辭任)	4/11
Independent Non-executive Directors:		獨立非執行董事：	
LO Ming Chi, Charles	7/11	勞明智	7/11
LO Wah Wai	4/11	盧華威	4/11
ORR Joseph Wai Shing	6/11	柯偉聲	6/11
WONG Ngao San, Marcus (appointed on 14 June 2007)	—	王傲山 (於二零零七年六月十四日獲委任)	—

Directors who are considered having conflict of interest or material interests in the proposed transactions or issues to be discussed, would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

於建議交易或將予討論事項中被視為存在利益衝突或重大利益之董事不會計算入會議之法定人數，彼等亦會就有關決議案放棄投票。

Corporate Governance Report

企業管治報告

All directors of the Company have access to the Company Secretary who attended all the scheduled Board meetings and is responsible for ensuring that the Board procedures are being complied with, and advising the Board on compliance matters.

Each of the independent non-executive directors of the Company has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all the independent non-executive directors of the Company are independent in accordance with the Listing Rules.

Code Provision A.4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company were not appointed for specific terms but were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's by-laws.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Save for Messrs. CHEN Vee Yong, Frederick and LEE Sang Yoon, who are past executive directors and have not given their confirmations, all the directors of the Company during the year under review, namely Mr. LIANG Jin You, Ms. LI Kwo Yu, Mr. LEUNG Kin Yau, Mr. OU Jian Sheng, Mr. DENG Ju Neng, Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR Joseph Wai Shing, have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. During the year under review the Company did not have any officer with CEO title. Mr. Liang Jin You was the Chairman and Managing Director of the Company and also carried out the responsibility of CEO during such period. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company's strategies.

本公司全體董事均可接觸出席公司秘書，公司秘書出席所有擬定之董事會會議及負責確保已遵守董事會程序，及就合規事宜向董事會提供意見。

本公司各獨立非執行董事已根據上市規則第3.13條而發出年度獨立確認書。董事會認為本公司所有獨立非執行董事具根據上市規則所指之獨立性。

守則條文A.4.1訂明非執行董事須按指定任期委任，惟可膺選連任。

本公司之獨立非執行董事並非按指定任期委任，惟須根據本公司細則之條文於本公司之股東大會上輪席退任及膺選連任。

董事證券交易

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易之操守守則。除陳維雄先生及李相潤先生為過往之執行董事且並無作出確認外，本公司年內全體董事（即梁金友先生、李戈玉女士、梁健友先生、歐健生先生及鄧巨能先生、勞明智先生、盧華威先生及柯偉聲先生）已根據本公司之明確要求確認，彼等已於截至二零零七年三月三十一日止年度內遵守標準守則內之要求水平。

主席及行政總裁

守則條文第A.2.1條規定須分開訂立主席與行政總裁（「行政總裁」）之角色，並不得由同一個別人士履行。於回顧年度，本公司並無任何人士出任行政總裁。於有關期間，梁金友先生曾為本公司主席兼董事總經理，並履行行政總裁職務。鑑於本集團之營運規模，董事會認為現時架構更適合本公司，因為可以促進有效制定及落實本公司策略。

Corporate Governance Report

企業管治報告

Remuneration Committee

The Remuneration Committee was set up in July 2005 with specific terms of reference which include reviewing the Company's policy and structure on the remuneration of directors and senior management of the Company, making recommendation to the Board on the remuneration of the directors and senior management of the Company and advising shareholders of the Company how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.

Current members of the Remuneration Committee are Messrs. LO Ming Chi, Charles, LO Wah Wai and ORR Joseph Wai Shing. In line with good and fair practice, the Committee currently consists of three independent non-executive directors. The emoluments of the directors of the Company are decided by the Board, as authorised by the shareholders at the annual general meeting having regard to the operating results of the Company, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to directors and senior management. The Board conducts regular review of the structure and composition of the Committee with particular attention to the skills, knowledge and experience of individual members.

A total of two meetings have been held for the year ended 31 March 2007. The individual attendance of members are as follows:—

Name of members	Number of meetings attended
Mr. LO Ming Chi, Charles (<i>Chairman</i>)	2/2
Mr. LO Wah Wai	2/2
Mr. ORR Joseph Wai Shing	2/2

薪酬委員會

薪酬委員會於二零零五年七月成立，並訂有特定職權範圍。其中包括檢討本公司董事及高級管理層薪酬政策及架構、就本公司董事及高級管理層之薪酬向董事會提出建議，及就如何就須根據上市規則由股東批准之任何董事服務合約作出投票向本公司股東提供意見。

薪酬委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。為符合良好及公平守則，該委員會目前已包含三位獨立非執行董事。本公司董事之酬金由股東於股東週年大會上授權董事會，並經參考本公司經營業績、個人表現及現行市況釐定。本公司亦採納購股權計劃，作為對董事及高級管理層之獎勵。董事會亦定期檢討該委員會之架構及組成，並尤其重視個別成員之技能、知識及經驗。

於截至二零零七年三月三十一日止年度共舉行兩次會議，個別成員之出席紀錄如下：

成員名稱	出席會議次數
勞明智先生 (主席)	2/2
盧華威先生	2/2
柯偉聲先生	2/2

Corporate Governance Report

企業管治報告

Accountability and Internal Control

The directors of the Company acknowledge their responsibility to present a balanced, clear and understandable assessment relating to annual and interim reports, price-sensitive announcements and other financial disclosures under the Exchange Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. As at 31 March 2007, the directors of the Company are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the ability of the Company to continue as a going concern basis. The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Auditor's Report on page 31.

Auditors' Remuneration

For the year ended 31 March 2007, the external auditors of the Group, provided the following services to the Group:

Audit services	審核服務
Non-audit and taxation services	非審核及稅務服務
Total	總計

The directors of the Company acknowledge their responsibility in ensuring the Company maintaining sound and effective internal controls to safeguard the shareholders' investment and the Company's assets, and have conducted an annual review on the effectiveness of the Group's internal control system. The review includes financial, operational and compliance controls and risk management functions.

Audit Committee

The Company has established an Audit Committee with specific written terms of reference. The terms of reference of the Audit Committee have included the duties which are set out in the Code Provision C.3.3 of the Code, with appropriate modifications when necessary.

問責制及內部監控

本公司各董事明白彼等有責任對有關年報及中期報告、股價敏感之公佈及聯交所上市規則項下之其他財政披露，對監管機構之報告，以及根據法定規定須予披露之資料提呈中肯、清晰及易明之評估。於二零零七年三月三十一日，本公司董事並不知悉任何有關可能對本公司按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。本公司外聘核數師就彼等對綜合財務報表之申報責任之聲明載於第31頁之核數師報告。

核數師酬金

截至二零零七年三月三十一日止年度內，本集團之外聘核數師向本集團提供以下服務：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Audit services	460	360
Non-audit and taxation services	71	20
Total	531	380

本公司各董事明白彼等有責任確保本公司保持良好及有效之外部監控，以保障股東之投資及本公司之資產，並已對本集團內部監控制度之有效程度進行年度檢討。有關檢討包括財務、營運及合規監控以及風險管理之職能。

審核委員會

本公司已成立審核委員會，並訂立特定書面職權範圍。審核委員會之職權範圍包括守則之守則條文第C.3.3條所載之職責，並於需要時作出適當修訂。

Corporate Governance Report

企業管治報告

The current members of the Audit Committee are Messrs. LO Ming Chi, Charles, LO Wah Wai and ORR Joseph Wai Shing. A total of two meetings have been held in the year under review and the individual attendance of members are as follows:—

Name of members	Number of meetings attended
Mr. LO Ming Chi, Charles (<i>Chairman</i>)	2/2
Mr. LO Wah Wai	2/2
Mr. ORR Joseph Wai Shing	2/2

The Audit Committee reviewed the interim and full year consolidated financial statements, including the Group's adopted accounting principles and practices, internal controls, and financial reporting matters in conjunction with the external auditors. The Audit Committee endorsed the accounting treatment adopted by the Company and had the best of its ability assured itself that the disclosure of the financial information in this report complies with the applicable accounting standards and Appendix 16 of the Listing Rules.

The Audit Committee has recommended to the Board that SHINEWING (HK) CPA Limited, Certified Public Accountants, be nominated for re-appointment as external auditors of the Company at the forthcoming annual general meeting of the Company.

Shareholder's Communications

In order to develop and maintain a continuing investors' relationship with the Company's shareholders, the Company has established various channels of communications with its shareholders such as publication of interim and annual reports, press release and announcement of the latest development of the Company in a timely manner. The annual general meeting provides an opportunity for shareholders to exchange views with the Board. Moreover, resolutions are proposed at annual general meeting on each substantially separate issue, including the election of individual directors. In addition, details of the poll voting procedures and the rights of shareholders to demand a poll are included in the circular to shareholders accompanying with the annual report. Details of the proposed resolutions are also set out in the circular.

審核委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。於回顧年度內合共舉行兩次會議，各成員之個別出席率如下：

成員姓名	出席會議次數
勞明智先生 (主席)	2/2
盧華威先生	2/2
柯偉聲先生	2/2

審核委員會已與外聘核數師檢閱中期及全年之綜合財務報表，包括本集團所採納之會計原則及守則、內部監控及財務申報事宜。審核委員會贊成本公司所採納之會計處理方式，並已盡力確保本報告乃遵照適用會計準則及上市規則附錄十六披露該等財務資料。

審核委員會已向董事會建議，於本公司應屆股東週年大會上提名執業會計師信永中和(香港)會計師事務所有限公司續任為本公司之外聘核數師。

股東之通訊

為與本公司股東發展和維繫持續之投資者關係，本公司已成立多個與股東溝通之渠道，譬如刊發中期報告及年報，適時地就本公司之最新發展發出新聞稿及公佈。股東亦可藉股東週年大會與董事會交換看法。此外，於股東週年大會上將就各項重要議題(包括個別董事之選舉)提呈決議案。此外，投票表決程序之詳情及股東要求投票表決之權利乃載於隨本年報寄交股東之通函內。將提呈之決議案的詳情亦載於通函內。