

CORPORATE GOVERNANCE REPORT 企業管治報告

企業管治常規

本公司致力維持高水平之企業管治，並採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載的企業管治常規守則(「守則」)的原則。

除就守則A.2.1及A.4.1之偏離行為外，本公司於截至二零零八年三月三十一日止年度內均遵守守則的守則條文，有關之偏離行為將於以下詳述。

董事局

董事局主要致力於本集團之整體策略發展。董事局亦監察本集團經營業務之財務表現及內部監控。

於二零零八年三月三十一日，董事局包括八位執行董事(其中一位為主席)，兩位非執行董事及三位獨立非執行董事。本公司所有董事之個人資料已載列於本年報第26頁至第28頁。

於截至二零零八年三月三十一日止年度，董事局包括：

執行董事：

羅仲榮(主席兼總裁)
吳崇安
羅仲炳
羅仲煒
梁伯全
顧玉興
莊紹樑
周國偉

非執行董事：

王維勤
張定球

獨立非執行董事：

呂明華
陳志聰
陳其鏞

主席經徵詢全體董事，首要負責草擬及審批每次董事局會議之議程。開會通知最少於常務會議十四天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining a high standard of corporate governance and has applied the principles of the code provisions set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Throughout the financial year ended 31 March 2008, the Company has complied with the code provisions set out in the Code, except for the deviation from A.2.1 and A.4.1 of the Code, details of which are set out below.

BOARD OF DIRECTORS

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

As at 31 March 2008, the Board comprised eight executive directors (one of whom is the Chairman), two non-executive directors and three independent non-executive directors. The biographical details of all directors of the Company are set out on pages 26 to 28 of this annual report.

During the year ended 31 March 2008, the board of directors (the "Board") comprised:

Executive Directors:

Victor LO Chung Wing (*Chairman & Chief Executive*)
Andrew NG Sung On
Kevin LO Chung Ping
Paul LO Chung Wai
LEUNG Pak Chuen
Richard KU Yuk Hing
Andrew CHUANG Siu Leung
CHAU Kwok Wai

Non-Executive Directors:

Raymond WONG Wai Kan
Vincent CHEUNG Ting Kau

Independent Non-Executive Directors:

LUI Ming Wah
Frank CHAN Chi Chung
CHAN Kei Bui

The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days has been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent in full to all directors within reasonable time prior to the meeting.

CORPORATE GOVERNANCE REPORT (continued) 企業管治報告 (續)

董事局(續)

董事局及董事委員會之會議紀錄由公司秘書保存並送交予各董事作紀錄。每位董事均有權取得公司秘書之意見及服務，並在合理要求及適當的情況下，要求以本公司經費諮詢獨立專業意見。

於截至二零零八年三月三十一日止年度內，董事局已舉行四次全體會議。每位董事之出席情況載列如下：

董事姓名	Name of director	出席／舉行董事局會議次數 Number of board meetings attended/held
羅仲榮	Victor LO Chung Wing	4/4
吳崇安	Andrew NG Sung On	3/4
羅仲炳	Kevin LO Chung Ping	3/4
羅仲煒	Paul LO Chung Wai	3/4
梁伯全	LEUNG Pak Chuen	4/4
顧玉興	Richard KU Yuk Hing	3/4
莊紹樑	Andrew CHUANG Siu Leung	4/4
周國偉	CHAU Kwok Wai	4/4
王維勤	Raymond WONG Wai Kan	3/4
張定球	Vincent CHEUNG Ting Kau	3/4
呂明華	LUI Ming Wah	1/4
陳志聰	Frank CHAN Chi Chung	3/4
陳其鏞	CHAN Kei Bui	2/4

主席及行政總裁

羅仲榮為本公司之主席及行政總裁。守則第A.2.1條規定，主席及行政總裁之角色應加以區分，並不應由同一人兼任。但董事局認為本集團之主要業務已分別上市，並由不同之董事局管理，所以現行之架構不會損害董事局及本集團管理層之間在權力及職權方面之平衡。

獨立非執行董事

根據上市規則第3.13條規定，本公司已收到每位獨立非執行董事就其獨立性之年度確認。本公司認為所有獨立非執行董事均屬獨立人士。

委任及重選董事

董事局定期檢討其成員架構、人數及成員組合，務求平衡各方的專業知識、技巧及資歷，以符合本公司的業務要求。

BOARD OF DIRECTORS (continued)

Minutes of board meetings and meetings of board committees are kept by the company secretary and are sent to the directors for records. Each Board member is entitled to have access to the advice and services of the company secretary and, upon reasonable request and in appropriate circumstances, seek independent professional advice at the Company's expenses.

During the year ended 31 March 2008, four board meetings were held and the attendance of each director was set out as follows:

Name of director	出席／舉行董事局會議次數 Number of board meetings attended/held
Victor LO Chung Wing	4/4
Andrew NG Sung On	3/4
Kevin LO Chung Ping	3/4
Paul LO Chung Wai	3/4
LEUNG Pak Chuen	4/4
Richard KU Yuk Hing	3/4
Andrew CHUANG Siu Leung	4/4
CHAU Kwok Wai	4/4
Raymond WONG Wai Kan	3/4
Vincent CHEUNG Ting Kau	3/4
LUI Ming Wah	1/4
Frank CHAN Chi Chung	3/4
CHAN Kei Bui	2/4

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Victor LO Chung Wing is the Chairman and the Chief Executive of the Company. Although A.2.1 of the Code stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual, the Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Group's principal businesses are separately listed and each business is run by a different board of directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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 the independent non-executive directors to be independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the needs of the business of the Company.

委任及重選董事(續)

守則A.4.1條規定非執行董事的委任應有指定任期，並須接受重新選舉。現時，本公司之非執行董事並無特定任期，但須根據本公司之組織章程在本公司之股東週年大會輪值告退及須再次參選方可連任。由於非執行董事之委任在到期重選時將被審閱，董事局認為已具備足夠措施以確保本公司之企業管治常規並無較守則之規定寬鬆。

提名委員會

由於守則建議之提名委員會之職責及功能已由董事局共同地履行，並無任何董事參與訂定其各自之委任條款，亦無任何獨立非執行董事參與評估其各自之獨立性，因此本公司並無成立提名委員會。

審核委員會

審核委員會之主要職責為檢討本集團採納之會計原則及慣例，並就本集團財務報告過程及內部監控制度之有效性進行檢討。

於截至二零零八年三月三十一日止年度，審核委員會包括：

呂明華(主席)
張定球
陳志聰
陳其鏞

董事局認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。審核委員會之職權範圍已於二零零五年九月被修改及採納，職權範圍之詳情已刊載於本公司網頁內。

於截至二零零八年三月三十一日止年度內，審核委員會舉行兩次會議。每位成員之出席情況載列如下：

成員姓名

呂明華
陳志聰
陳其鏞
張定球

APPOINTMENT AND RE-ELECTION OF DIRECTORS (continued)

A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Currently, all non-executive directors are not appointed for a specific term and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the articles of association of the Company. Since their appointments will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

NOMINATION COMMITTEE

The Company has not established a nomination committee as the duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his own terms of appointment and no independent non-executive director being involved in assessing his own independence.

AUDIT COMMITTEE

The main responsibilities of the Audit Committee are to review the accounting principles and practices adopted by the Group and to review the effectiveness of the financial reporting process and internal control system of the Group.

During the year ended 31 March 2008, the Audit Committee comprised:

LUI Ming Wah (Chairman)
Vincent CHEUNG Ting Kau
Frank CHAN Chi Chung
CHAN Kei Bui

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting in the Audit Committee. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. The terms of reference of the Audit Committee were revised and adopted in September 2005, details of which have been posted on the Company's website.

During the year ended 31 March 2008, two Audit Committee meetings were held and the attendance of each committee member was set out as follows:

Name of member	出席／舉行會議次數 Number of meetings attended/held
LUI Ming Wah	1/2
Frank CHAN Chi Chung	2/2
CHAN Kei Bui	1/2
Vincent CHEUNG Ting Kau	2/2

CORPORATE GOVERNANCE REPORT (continued) 企業管治報告 (續)

審核委員會 (續)

於截至二零零八年三月三十一日止年度，審核委員會已處理包括審閱截至二零零七年三月三十一日止年度之經審核財務報表及截至二零零七年九月三十日止六個月之未經審核中期財務報表，並向董事局提供建議以待審批等工作。

於截至二零零八年三月三十一日止年度，審核委員會與外聘核數師進行了兩次會面。

薪酬委員會

薪酬委員會之主要職責為檢討及認同董事及高級管理層之薪酬政策，並向董事局就董事及高級管理層之薪酬作出建議。薪酬委員會已採取足夠措施確保並無任何董事參與決定其各自薪酬。

於截至二零零八年三月三十一日止年度，薪酬委員會包括：

陳志聰(主席)
呂明華
陳其鏞
羅仲榮
周國偉

薪酬委員會之職權範圍已於二零零五年九月被採納，職權範圍之詳情已刊載於本公司網頁內。

於截至二零零八年三月三十一日止年度內，薪酬委員會舉行一次會議。每位成員之出席情況載列如下：

成員姓名	Name of member	出席／舉行會議次數 Number of meetings attended/held
陳志聰	Frank CHAN Chi Chung	1/1
呂明華	LUI Ming Wah	0/1
陳其鏞	CHAN Kei Bui	1/1
羅仲榮	Victor LO Chung Wing	1/1
周國偉	CHAU Kwok Wai	1/1

於截至二零零八年三月三十一日止年度，薪酬委員會已處理包括審閱董事及高級管理層之薪酬政策及其薪酬之工作。

董事之證券交易

本公司已就董事進行的證券交易，採納載於上市規則附錄十「上市發行人董事進行證券交易的標準守則」(「標準守則」)作為守則。經向本公司所有董事充分諮詢後，本公司確信於期內所有董事已遵守標準守則所規定的準則。

AUDIT COMMITTEE (continued)

The work performed by the Audit Committee during the year ended 31 March 2008 included reviewing the audited financial statements for the year ended 31 March 2007 and the unaudited interim financial statements for the six months ended 30 September 2007, with recommendations to the Board for approval.

During the year ended 31 March 2008, the Audit Committee met with the external auditor twice.

REMUNERATION COMMITTEE

The main responsibilities of the Remuneration Committee are to review and endorse the remuneration policy of the directors and senior management and to make recommendations to the Board for the remuneration of the directors and senior management. The Remuneration Committee has taken sufficient measures to ensure that no director is involved in deciding his own remuneration.

During the year ended 31 March 2008, the Remuneration Committee comprised:

Frank CHAN Chi Chung (Chairman)
LUI Ming Wah
CHAN Kei Bui
Victor LO Chung Wing
CHAU Kwok Wai

The terms of reference of the Remuneration Committee were adopted in September 2005, details of which have been posted on the Company's website.

During the year ended 31 March 2008, there was one Remuneration Committee meeting and the attendance of each committee member was set out as follows:

The work performed by the Remuneration Committee during the year ended 31 March 2008 included reviewing the remuneration policy of the directors and senior management and the remuneration of the directors and senior management.

DIRECTORS' SECURITIES TRANSACTIONS

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

問責及審核

董事局確認須負責為每一財政年度編製能真實及公平地反映本集團業務狀況之財務報表。董事局並不知悉任何重要事件或情況可能質疑本公司持續經營的能力。因此，董事局已按持續經營基準編製本公司的財務報表。

董事局確認，其有責任在本公司年報、中期報告、其他股價敏感公佈、上市規則規定之其他財務披露及向監管者提交的報告以及根據法定要求披露之資料中，提供平衡、清晰及易於理解的評估。

內部監控

董事局已就本集團之內部監控制度及其於財務、營運、合規監控及風險管理功能各方面之有效性進行每年檢討。董事局致力落實有效及良好的內部監控系統，保障股東利益及本集團之資產。

核數師酬金

本集團之外聘核數師德勤·關黃陳方會計師行於截至二零零八年三月三十一日止年度所提供之服務已付及應付之費用如下：

服務提供	Services rendered	已付／應付費用 Fees paid/payable 千港元 HK\$'000
審計服務	Audit Services	4,557
非審計服務	Non-audit services	1,009
合計	Total	<u>5,566</u>

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as information required to be disclosed pursuant to statutory requirements.

INTERNAL CONTROL

The Board has conducted annual review on the system of internal control of the Group and its effectiveness covering the financial, operational, compliance controls and risk management functions. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets.

AUDITORS' REMUNERATION

The remuneration paid and payable to Deloitte Touche Tohmatsu, external auditor of the Group, for services provided during the year ended 31 March 2008 were as follows: