

The Group is committed to maintaining high standards of corporate governance and enhancing corporate value and accountability.

BOARD STRUCTURE AND BOARD PROCESS

The overall management of the Group is vested with the board of directors (the “Board”) and the day-to-day management of the business is delegated to the executive management.

The principal roles of the Board are:

- (1) to lay down the Group’s objectives, strategies, policies and business plan;
- (2) to monitor the performance of each business segment;
- (3) to set appropriate policies to manage risks in pursuit of the Group’s strategic objectives.

The Board comprises of eight members. The five executive directors include Messrs. Poon Bun Chak, Poon Kei Chak, Poon Kwan Chak, Poon Kai Chak and Ting Kit Chung. The three independent non-executive directors include Messrs. Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David. Mr. Poon Bun Chak is the chairman and chief executive officer (“CEO”) of the Company.

本集團積極維持高標準的企業管治及提升企業價值和問責性。

董事會架構及會議程序

董事會負責整體集團的管治，執行的管理層則獲授權負責日常業務上的管理。

董事會的主要職能：

- (1) 釐訂本集團目標、策略及業務計劃；
- (2) 監察每個業務分類的表現；
- (3) 制訂合適的政策按本集團策略性目標管理風險。

董事會包括八名成員。五位執行董事包括潘彬澤先生、潘機澤先生、潘鈞澤先生、潘佳澤先生及丁傑忠先生。三位獨立非執行董事包括區樂耀先生、鄭樹榮先生及黃自建先生。潘彬澤先生為董事會主席兼董事總經理。

BOARD STRUCTURE AND BOARD PROCESS *(continued)*

The Company has in place clear board process. Regular board meetings are scheduled at least four times per year. Agendas and accompanying board papers are served to all directors at least 14 days in advance of each board meeting to facilitate informed discussion and decision-making. Directors may include any matters they wish to discuss in the meeting in the agendas. Draft minutes of the board and committee meetings are prepared by the Company Secretary of the Company. The board and committee minutes are kept by the Company Secretary and are open for inspection by directors upon request. All directors have access to the advice and services of the Company Secretary, and are allowed to seek external professional advice if needed. All directors are kept informed of the latest update of the Listing Rules and other applicable regulatory requirements.

Newly appointed directors will receive a comprehensive, formal and tailored induction on the first occasion of their appointment so as to ensure that they have appropriate understanding of the business of the Company and the obligation and responsibility of being a director.

INDEPENDENCE AND QUALIFICATION OF

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has three INEDs on its Board in compliance with Rule 3.10(1) of the Listing Rules. All the INEDs possess a wide range of business and financial experience. One of the INEDs, Mr. Wong Tze Kin, David, possesses professional accounting qualification in full compliance with Rule 3.10(2) of the Listing Rules. In accordance with Rule 3.13 of the Listing Rules, all the INEDs have confirmed their independence for the year ended 31 March 2006.

董事會架構及會議程序 (續)

本公司已有清晰的董事會會議程序。每年常規董事會會議不少於四次。為促進深入討論及進行決議，每次董事會舉行前不少於十四天所有董事皆收到會議議程及會議資料。董事亦可要求於會議議程中增加任何他希望討論的事項。本公司公司秘書負責草擬及存放董事會及委員會的會議記錄，董事有權要求審閱有關的董事會及委員會會議記錄。所有董事有權要求公司秘書提供意見及服務，並在有需要時要求獲得外界的專業意見。所有董事一直保持對最新的上市條例及其他相關法例的認識。

獲新委聘的董事，在其第一次獲委聘時，也會接受一全面性的、正規的及特別制訂的介紹，以確保其對本公司業務的認識及了解作為一個董事的責任。

獨立非執行董事的獨立性及資歷

本公司符合上市規則第3.10(1)條的要求，其董事會現有三名獨立非執行董事，所有獨立非執行董事皆擁有廣闊的業務及財務經驗。其中一位獨立非執行董事黃自建先生擁有專業會計資格，並完全符合上市規則第3.10(2)條的要求。於截至二零零六年三月三十一日年度，所有獨立非執行董事已按上市規則第3.13條確認其獨立身份。

INDEPENDENCE AND QUALIFICATION OF
獨立非執行董事的獨立性及資歷 (續)
INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Attendance of board or committee meetings during the year: 年內參與董事會或委員會會議次數：

		Number of meetings attended/held during the year			
		本年內參與／舉行會議次數			
		Audit	Remuneration	Nomination	
Directors		Board	Committee	Committee	Committee
董事		董事會	審核委員會	薪酬委員會	提名委員會
Executive directors	執行董事				
Poon Bun Chak (Chairman & CEO)	潘彬澤 (主席兼董事總經理)	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Poon Kai Chak	潘佳澤	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Poon Kei Chak	潘機澤	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Poon Kwan Chak	潘鈞澤	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Ting Kit Chung	丁傑忠	4/4	N/A 不適用	2/2	N/A 不適用
Independent non-executive directors	獨立非執行董事				
Au Son Yiu	區樂耀	4/4	3/3	2/2	1/1
Cheng Shu Wing	鄭樹榮	4/4	3/3	2/2	1/1
Wong Tze Kin, David	黃自建	4/4	3/3	2/2	1/1

BOARD COMMITTEES
董事委員會

The Board has established several board committees to oversee certain aspects of the Company's affairs.

董事會已成立數個委員會以監察本公司個別方面事項。

AUDIT COMMITTEE

The Audit Committee consists of the three independent non-executive directors of the Board namely Messrs. Wong Tze Kin, David, Au Son Yiu and Cheng Shu Wing. The committee is chaired by Mr. Wong Tze Kin, David, a qualified accounting professional. At the time of establishment, the terms of reference and duties have been laid down as a guideline for the committee. The principal duties of the committee include:

- (a) monitoring the preparation of the financial statements;
- (b) monitoring and assessing the internal controls system of the Group;
- (c) monitoring the performance of Group's internal audit team;
- (d) considering the appointment and removal of the external auditors, the audit fee and the terms of engagement;
- (e) reviewing and commenting on the connected transactions of the Group.

The committee held three meetings during the year to review the followings:

- (a) the internal controls and risk management of the Group; and
- (b) the financial reporting process and the financial statements of the Group.

審核委員會

審核委員會包括董事會的三名獨立非執行董事，分別為黃自建先生、區樂耀先生及鄭樹榮先生。黃自建先生為委員會的主席，擁有專業會計資格。於成立時，委員會備有明確之條文及職責細則作指引。委員會主要職責包括：

- (a) 監察財務報表的製訂；
- (b) 監察及評估本集團內部監控系統；
- (c) 監察集團內部審計組之表現；
- (d) 考慮外部核數師的聘用及解約、審計費用及委聘條款；
- (e) 審核本集團之關連交易並提出意見。

於年內，委員會曾舉行三次會議以審核以下：

- (a) 本集團的內部監控制度及風險管理；及
- (b) 本集團財務匯報程序及財務報告。

REMUNERATION COMMITTEE

The Remuneration Committee consists of three independent non-executive directors and one executive director namely Messrs. Au Son Yiu, Cheng Shu Wing, Wong Tze Kin, David and Ting Kit Chung respectively. The committee is chaired by Mr. Au Son Yiu. At the time of establishment, terms of reference and duties have been laid down as a guideline for the committee. The committee is responsible for making recommendation on the company's policy and structure for all the remuneration of directors and other senior management, and reviewing and approving compensations payable to directors. The remuneration of the directors and other senior management is determined with reference to the performance of each individual and the Company, the market conditions and the industry practice. Besides, the committee will ensure that no director or any of his/her associate may be involved in the determination of his/her own remuneration. During the year, the committee held two meetings to review and approve the remuneration adjustment and performance bonus of executive directors and other senior management.

NOMINATION COMMITTEE

The Nomination Committee consists of three independent non-executive directors namely Messrs. Cheng Shu Wing, Au Son Yiu and Wong Tze Kin, David and the committee is chaired by Mr. Cheng Shu Wing. The Nomination Committee is responsible for the recommendation of candidates with appropriate experience and qualification to become members of the Board.

薪酬委員會

薪酬委員會包括三位獨立非執行董事及一位執行董事，分別為區樂耀先生、鄭樹榮先生、黃自建先生及丁傑忠先生。區樂耀先生為委員會的主席。於成立的時候，委員會備有明確的條文及職責細則作指引。委員會主要負責就本公司董事及其他高層管理人員的薪酬制度及架構提供意見，並審批應付董事的賠償。於釐訂董事及其他高層管理人員的薪酬，委員會參考該人員的表現、公司表現、市場情況及行業的慣例。此外，委員會亦會確保並無任何董事及其聯系人士參與釐訂該董事的薪酬。於年內，委員會曾舉行會議二次，以審批執行董事及其他高層人員的薪酬調整及按表現發放的花紅。

提名委員會

提名委員會包括三名獨立非執行董事，包括鄭樹榮先生、區樂耀先生及黃自建先生。鄭樹榮先生為委員會之主席。提名委員會負責提名擁有適合經驗及學歷之人士作為董事會成員。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, they have all complied with the required standard set out in the Model Code throughout the accounting period covered by the Annual Report.

COMPLIANCE WITH THE CODE PROVISIONS SET OUT IN THE CODE ON CORPORATE GOVERNANCE PRACTICES ("Code")

In the opinion of the directors, the Company complied with the code provisions of the Code contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the Annual report, except for the following deviations:

- (1) Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and be subject to re-election.

All the existing non-executive directors of the Company are not appointed for specific term, but are subject to retirement and re-election at the Company's annual general meeting in accordance with Clause 86(1) of the bye-laws of the Company.

董事進行之證券交易

本公司已採納《證券上市規則》之《上市公司董事進行證券交易的標準守則》，作為本公司董事進行本公司證券交易之守則。按本公司向各董事之查詢，各董事已於本年報所述之會計期間均遵守《上市公司董事進行證券交易的標準守則》之規定。

符合企業管治常規守則（「守則」）

按董事的意見，本公司於本年報所述之會計期間一直符合上市規則附錄十四所載之守則，惟下列條文除外：

- (1) 守則A.4.1條規定非執行董事應獲委任指定任期，及須膺選連任。

目前，本公司所有非執行董事並非獲委任指定任期，而是根據公司之細則第86(1)條於本公司之股東週年大會上膺選連任。

**COMPLIANCE WITH THE CODE PROVISIONS SET OUT
IN THE CODE ON CORPORATE GOVERNANCE
PRACTICES (“Code”) (continued)**

- (2) Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have a policy of separating the roles of chairman and chief executive officer of the Board. The Board considers the current arrangement can help maintaining a strong management position and at the same time improving the communication efficiency. The Board may consider the separation of the roles of chairman and chief executive officer upon the then circumstances.

- (3) Under code provision E.1.2 of the Code, the chairman of the Board should attend the annual general meeting of the Company.

The chairman of the Board of the Company has delegated the duty of attending the annual general meeting to an executive director of the Company. The chairman considers the executive director a suitable person for taking up such duty as the executive director has been serving for similar duties for many years and he has good a understanding of each business segment of the Group.

符合企業管治常規守則（「守則」）（續）

- (2) 守則A.2.1條規定主席及行政總裁之角色應區別，並不應由同一人擔任。

目前，本公司並沒有制度區別董事會之主席及行政總裁角色。董事會認為現時安排有助保持強勢的管治，並能同時提升溝通效率。董事會會視乎情況考慮區別主席及行政總裁的角色。

- (3) 守則E.1.2條規定董事會之主席須出席本公司之股東週年大會。

本公司董事會主席將出席股東週年大會之職務委任本公司一執行董事執行。主席認為該執行董事對本集團各種業務也十分了解，並且該董事已有多年執行同類職務的經驗。

AUDITORS' REMUNERATION

During the year, fees paid for audit and non-audit services by the Company were as follows:

核數師酬金

於年內，本公司支付的審計與非審計服務費為：

Services 服務	Fee paid/payable 已付／應付費用
	HKD'000 港幣千元
Audit services rendered 已提供審計服務	2,192
Non-audit services rendered 已提供非審計服務	650
	2,842

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board is responsible for preparing the financial statements of the Company. The statement from the external auditors of the Company about their responsibilities has been set out in the Auditors' Report on page 39.

董事會及核數師對財務報表之責任

董事會負責編製本公司財務報表。本公司外部核數師有關其對財務報表之責任聲明已載於第39頁之核數師報告。

REVIEW OF THE INTERNAL CONTROLS

The system of internal controls is defined as the internal control procedures with which the Company uses to ensure the accuracy of its accounting records, safeguard the assets of the Company and ensure the compliance with the relevant rules and regulations. The Board is responsible for maintaining efficient and effective internal controls of the Company. During the year, the internal audit team, which reports directly to the Audit Committee, has reviewed the internal controls of each major business segment of the Company and has reported its findings to the Audit Committee. The Audit Committee is satisfied with the effective internal controls of the Company.

內部監控之審核

內部監控系統乃指本公司採用之內部監控制度，以保障本公司會計記錄的準確性、保衛本公司資產及確保本公司符合有關的規則及法例。董事會負責維持本公司有效率及效益的內部監控制度。於年內，直接向審核委員會負責的內部審計組，已審核本公司每個主要業務的內部監控制度，並將其結果向審核委員會匯報。審核委員會對本公司的內部監控制度表示滿意。

**INVESTOR RELATIONS AND COMMUNICATION
WITH SHAREHOLDERS**

To enhance the communications with shareholders and investors, the Company has adopted the following channels:

- (1) meeting shareholders in the annual general meetings to explain the results of the Company and answering questions of shareholders;
- (2) disseminating corporate information to shareholders according to the rules and regulations;
- (3) meeting fund managers to promote the business of the Company; and
- (4) publishing the background, the latest development and the results of the Group on the Company's website.

投資者關係及與股東溝通

為加強與股東及投資者的溝通，本公司已採用以下渠道：

- (1) 於週年股東會與股東會面，向其解釋公司業績及解答股東的問題；
- (2) 按有關規則及條例，向股東發放公司資料；
- (3) 與基金經理會面，並推廣本公司業務；及
- (4) 於公司網站公佈本集背景、最新發展及業績資料。