

企業管治常規

本公司董事局（「董事局」）深明良好企業管治常規對保障股東權益及提升本公司及其附屬公司（「本集團」）表現的重要性。董事局一直致力達到及維持最佳企業管治常規標準。

於本財政年度內，本公司已進行多項工作，落實本公司一貫的高水平企業管治及符合現今的最佳常規。特別是本公司分別於二零零五年五月九日及二零零六年二月二十八日成立薪酬委員會和採納有關僱員進行證券交易的守則。於二零零五年十二月一日，本公司與所有非執行董事已訂立為期三年的委任書，而建議修訂本公司之公司細則（「公司細則」）有關本公司董事（主席及董事總經理除外）每三年退任一次之特別決議案，則載於附有二零零六年八月二十五日舉行之股東周年大會通告之通函內。根據百慕達一九九一年震雄集團有限公司公司法之規定，本公司之主席及董事總經理毋須輪值告退，因此，他們依法毋須輪值告退。

除上文所述外，本公司董事局認為，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）自二零零五年一月一日起生效之附錄十四所載企業管治常規守則（「企業管治守則」）之所有適用守則條文。

Corporate Governance Practices

The board of directors (“Board”) of the Company recognises the importance of good corporate governance practices in safeguarding the interests of the shareholders and enhancing the performance of the Company and its subsidiaries (“Group”). The Board is committed to achieving and maintaining the best corporate governance practices.

During this financial year, a number of actions were put in place to uphold the Company’s usual high standard of corporate governance, and to keep it in line with modern best practices. In particular, the Company established a Remuneration Committee and adopted the Code for Securities Transactions for relevant Employees on 9 May 2005 and 28 February 2006 respectively. On 1 December 2005, the Company entered into letters of appointment with all non-executive directors, fixing their terms of appointment to three years. The special resolution on the proposed amendments to the Bye-laws of the Company (“Bye-laws”) relating to the retirement of directors (with the exception of the chairman and the managing director) of the Company once every three years are set out in a circular incorporating the notice of the annual general meeting to be held on 25 August 2006. Under the provision contained in the Chen Hsong Holdings Limited Company Act, 1991 of Bermuda, the chairman and managing director of the Company are not subject to retirement by rotation; as such, they are by statute not required to retire by rotation.

Except for the above mentioned, the Board consider that the Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”), which came into effect on 1 January 2005.

董事證券交易

本公司已就董事進行證券交易採納一套行為守則(「該守則」)，其條款不較上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)之標準規定寬鬆。本公司已向全體董事作出特定查詢，並確認彼等在截至二零零六年三月三十一日止年度內，一直遵守該守則及標準守則的規定標準。

董事局

董事局包括五名執行董事及三名獨立非執行董事：

執行董事：

蔣震博士，大紫荊勳賢(主席)
蔣麗苑女士(行政總裁)
蔣志堅先生
鍾效良先生
吳漢華先生

獨立非執行董事：

陳慶光先生
Anish LALVANI先生
陳智思先生

附註：

主席蔣震博士為行政總裁蔣麗苑女士及執行董事蔣志堅先生之父親。

董事局主要負責制訂本集團的願景、策略方針、基本政策及策略性業務計劃，監控及管理本集團營運及財務表現，在本集團內全面履行最佳企業管治常規，及訂立適當之風險評估及管理政策以實現本集團的策略目標。

Directors' Securities Transactions

The Company has adopted a Code of Conduct regarding Securities Transactions by Directors (the "Code") on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Listing Rules. The Company, after having made specific enquiries of all directors, confirms that all directors have complied with the required standard as set out in the Code and the Model Code throughout the year ended 31 March 2006.

Board of Directors

The Board consists of five executive directors and three independent non-executive directors:

Executive Directors:

Dr. Chen CHIANG, GBM (*Chairman*)
Ms. Lai Yuen CHIANG (*Chief Executive Officer*)
Mr. Chi Kin CHIANG
Mr. Stephen Hau Leung CHUNG
Mr. Sam Hon Wah NG

Independent Non-executive Directors:

Mr. Johnson Chin Kwang TAN
Mr. Anish LALVANI
Mr. Bernard Charnwut CHAN

Note:

Dr. Chen CHIANG, the Chairman, is the father of Ms. Lai Yuen CHIANG, the Chief Executive Officer and Mr. Chi Kin CHIANG, the Executive Director.

The primary responsibilities of the Board are to establish the Group's vision, strategic direction, general policies and strategic business plans; to monitor and control the operating and financial performance of the Group; to implement the best corporate governance practices throughout the Group; and to set appropriate policies to assess and manage risks in pursuit of the strategic objectives of the Group.

董事局於年內定期開會，檢討整體策略及本集團之營運及財務表現。公司秘書經諮詢全體董事後，協助主席制訂董事局會議之會議議程。董事局的所有定期會議通知最少在會議前十四天發給各董事，董事如有需要可提出任何商討事項列入會議議程。董事局定期會議的議程及會議文件於會議日期前至少三天已全部送交各董事。董事局所有定期會議之會議紀錄初稿會發送全體董事，供董事提出意見。已定稿的董事局會議紀錄由公司秘書備存。全體董事均有權取得董事局文件及有關資料，及可在適當的情況下尋求獨立專業意見，費用由本公司支付。

董事局將本公司日常營運之權力授予管理層。管理層由所有執行董事、高級管理人員及不同業務單位的營運總監組成。管理層主要負責履行董事局制訂的策略及業務計劃，按董事局的政策及指令管理本集團的業務運作。

本公司已就董事及行政人員因履行本集團業務而引起之責任購買適當保險，管理層會每年檢討保險所保障之範圍。

獨立非執行董事

本公司每位獨立非執行董事已與本公司訂立委任書，任期為三年，並須根據本公司之公司細則規定輪值告退及膺選連任。

本公司已接獲各獨立非執行董事，根據上市規則第3.13條，有關其獨立身份的年度確認函，董事局認為該等董事均具獨立性。

The Board meets regularly throughout the year to review the overall strategies and the operating and financial performance of the Group. The Company Secretary assists the Chairman in setting the agenda for Board meetings in consultation with all directors. Notice of at least 14 days is given to all directors for all regular Board meetings, and directors can include any other matter for discussion in the agenda if necessary. The agenda and accompanying Board papers for regular Board meetings are sent out in full package to all directors at least 3 days before the date of a Board meeting. Draft minutes of all regular Board meetings are circulated to all directors for comments prior to their confirmation. Confirmed minutes of Board meetings are kept by the Company Secretary. All directors have access to Board papers and related materials and may, in appropriate circumstances, seek independent professional advice at the Company's expense.

The Board has delegated the daily operations of the Company to Management comprising all executive directors, senior management staff, and operating heads of different business units. The main responsibilities of Management are to implement the strategies and business plans set by the Board and to manage the Group's business operations in accordance with the policies and directives of the Board.

The Company has in force appropriate insurance coverage on directors' and officers' liabilities arising from the Group's business. The Management reviews the extent of insurance coverage on an annual basis.

Independent Non-executive Directors

Each independent non-executive director of the Company has entered into a letter of appointment with the Company for a term of three years and in accordance with the Bye-laws of the Company is subject to retirement by rotation and eligible for re-election.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Board considered all such directors are independent.

會議及出席記錄

於本財政年度內，本公司共舉行四次董事局定期會議，大約每季度一次，而每名董事之出席記錄載列如下：

Meetings and Attendance

During this financial year, four regular Board meetings were held at approximately quarterly intervals, and the attendance record of each director is set out below:

董事姓名	Name of director	出席次數／會議次數 Number of meetings attended/held	出席率 Attendance rate
蔣震	Chen CHIANG	4/4	100%
蔣麗苑	Lai Yuen CHIANG	4/4	100%
蔣志堅	Chi Kin CHIANG	4/4	100%
鍾效良	Stephen Hau Leung CHUNG	4/4	100%
吳漢華	Sam Hon Wah NG	4/4	100%
陳慶光	Johnson Chin Kwang TAN	4/4	100%
Anish LALVANI	Anish LALVANI	4/4	100%
陳智思	Bernard Charnwut CHAN	4/4	100%

主席及行政總裁

蔣震博士為董事局主席，蔣麗苑女士為本公司行政總裁，主席與行政總裁之角色已清楚界定，以確保彼等管理本公司之獨立性、問責性及職責。

主席專注本集團之整體企業發展及高層策略性方針，領導董事局及監督董事局之有效運作。

行政總裁負責管理本集團業務運作，並在業務策略及其履行上向董事局提供意見。

Chairman and Chief Executive Officer

The Chairman of the Board is Dr. Chen CHIANG, and the Chief Executive Officer of the Company is Ms. Lai Yuen CHIANG. The roles of the Chairman and the Chief Executive Officer are defined clearly to ensure their independence, accountability and responsibility with respect to the management of the Company.

The Chairman focuses on overall corporate development and high-level strategic directions of the Group, provides leadership to the Board, and oversees the efficient functioning of the Board.

The Chief Executive Officer is responsible for managing the Group's business operations, and advising the Board of business strategies and their implementations.

董事薪酬

薪酬委員會於二零零五年五月九日成立，成員包括兩名獨立非執行董事（Anish LALVANI先生和陳智思先生）及行政總裁蔣麗苑女士。Anish LALVANI先生為委員會主席。

薪酬委員會之主要職責為檢討及制訂本集團執行董事及高級管理人員之薪酬福利，並就董事及高級管理人員之薪酬政策及架構向董事會推薦意見。

薪酬委員會成立後，委員會曾舉行一次會議，而每名成員之出席記錄載列如下：

姓名	Name	出席次數／會議次數 Number of meeting attended/held	出席率 Attendance rate
蔣麗苑	Lai Yuen CHIANG	1/1	100%
Anish LALVANI	Anish LALVANI	1/1	100%
陳智思	Bernard Charnwut CHAN	1/1	100%

截至二零零六年三月三十一日止年度，薪酬委員會已檢討並通過全體執行董事及高級管理人員之薪酬福利，以及本集團執行董事之花紅計劃。薪酬委員會已獨立地評估各執行董事之表現，並已參照在聯交所主版上市，而規模較接近之公司已公布之薪酬，以決定各執行董事之薪酬福利。沒有委員會成員就其薪酬在會議中投票。

董事提名

本公司並無成立提名委員會，各董事參與評估及甄選提名加入董事局之人士。董事局識別具備合資格及能對本公司作出貢獻之個別人士提名加入董事局。董事局成員之甄選條件包括專業知識、高水平之相關技能、高度誠信及業務操守，並顯示能勝任為上市公司董事。獲委任為獨立非執行董事之候選人，亦必須符合上市規則第3.13條載列之獨立性標準。

Remuneration of Directors

The Remuneration Committee was established on 9 May 2005 and comprises two independent non-executive directors, namely Mr. Anish LALVANI and Mr. Bernard Charnwut CHAN, and the Chief Executive Officer, Ms. Lai Yuen CHIANG. Mr. Anish LALVANI is the Committee Chairman.

The main responsibilities of the Remuneration Committee are to review and determine the remuneration packages of executive directors and senior management staff of the Group. It also makes recommendations to the Board on the policy and structure for the remuneration of directors and senior management.

Since the establishment of the Remuneration Committee, the Committee has held one meeting and the attendance record of each member is set out below:

姓名	Name	出席次數／會議次數 Number of meeting attended/held	出席率 Attendance rate
蔣麗苑	Lai Yuen CHIANG	1/1	100%
Anish LALVANI	Anish LALVANI	1/1	100%
陳智思	Bernard Charnwut CHAN	1/1	100%

For the year ended 31 March 2006, the Remuneration Committee has reviewed and approved the remuneration packages of all executive directors and senior management staff, as well as the bonus scheme for executive directors of the Group. The Remuneration Committee has independently assessed the performance of each executive director and determined his/her remuneration package after referencing the published packages of companies of similar size listed on the main board of the Stock Exchange. No member took part in voting about his/her own remuneration at the meeting.

Nomination of Directors

The Company does not have a Nomination Committee. The directors participate in the assessment and selection of individuals nominated for directorships. Individuals, suitably qualified and who can contribute to the performance of the Company are identified and nominated to the Board. The selection criteria for Board membership includes professional expertise, high standards of relevant skills, high levels of integrity and business ethics, and demonstrable competence as required by a Director of a listed company. A candidate to be appointed as an independent non-executive director must also satisfy the independence criteria set out in rule 3.13 of the Listing Rules.

審核委員會

審核委員會於一九九八年十一月二十八日成立，委員會成員包括三名獨立非執行董事（陳慶光先生、Anish LALVANI先生和陳智思先生），陳慶光先生為委員會主席。

審核委員會之職權範圍遵行香港會計師公會載列之指引，並予以更新以遵守企業管治守則。

於二零零六年三月三十一日止年度，審核委員會共舉行兩次會議，每名審核委員會成員之出席記錄載列如下：

姓名	Name	出席次數／會議次數 Number of meetings attended/held	出席率 Attendance rate
陳慶光	Johnson Chin Kwang TAN	2/2	100%
Anish LALVANI	Anish LALVANI	2/2	100%
陳智思	Bernard Charnwut CHAN	2/2	100%

於二零零六年三月三十一日止年度，審核委員會已進行：

- 檢討本集團全年及中期財務報表之真確性及公平性，並與外聘核數師討論；
- 審閱會計準則之變動，以及評估對本集團財務報表之影響；
- 檢討外聘核數師致管理層之函件及管理層之回應；
- 就續聘外聘核數師提出建議、檢討其審核費用及採納聘請外聘核數師提供非審核服務之政策；
- 檢討本集團內部監控制度之有效性；
- 檢討內審部之內部審核結果和推薦意見及管理層之回應；
- 檢討本集團所訂立之持續關連交易；及
- 檢討本集團遵守監管條例及法定規定之情況。

Audit Committee

The Audit Committee was established on 28 November 1998, comprising the three independent non-executive directors, namely Mr. Johnson Chin Kwang TAN, Mr. Anish LALVANI and Mr. Bernard Charnwut CHAN. Mr. Johnson Chin Kwang TAN is the Committee Chairman.

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants, and have been updated to comply with the CG Code.

The Audit Committee has held two meetings in the year ended 31 March 2006. The attendance record of each Audit Committee member is set out below:

During the year ended 31 March 2006, the Audit Committee had:

- reviewed the Group's annual and interim financial statements with respect to their true and fairness, and discussed with the external auditors;
- reviewed the changes in accounting standards and their impacts on the Group's financial statements;
- reviewed the external auditors' Letter to Management and responses of the Management;
- made recommendation on the re-appointment of external auditors, reviewed their audit fees and adopted the policy for their engagement to supply non-audit services;
- reviewed the effectiveness of the Group's internal control systems;
- reviewed the internal audit findings and recommendations of the Internal Audit Department and the responses of Management;
- reviewed the continuing connected transaction entered into by the Group; and
- reviewed the Group's compliance with regulatory and statutory requirements.

核數師酬金

於年內，核數師之酬金為港幣1,516,000元，其中港幣1,349,000元為審核服務及港幣167,000元為非審核服務。

問責性及審核

本公司截至二零零六年三月三十一日止年度之綜合財務報表，已由外聘核數師安永會計師事務所審核及審核委員會審閱。董事確認，其對編製本集團財務報表負有責任，該等財務報表乃依照法定要求及適用會計準則編製。

外聘核數師就其申報責任所編製之聲明，載於本年報第53至54頁之核數師報告書內。

Auditors' Remuneration

Auditors' remuneration for the year amounted to a total of HK\$1,516,000 for the year, of which HK\$1,349,000 was incurred for audit service and HK\$167,000 for non-audit services.

Accountability and Audit

The consolidated financial statements of the Company for the year ended 31 March 2006 have been audited by the external auditors, Ernst & Young, and reviewed by the Audit Committee. The directors acknowledge their responsibility for preparing the financial statements of the Group which were prepared in accordance with statutory requirements and applicable accounting standards.

A statement by the external auditors about their reporting responsibilities is set out in the Report of the Auditors on pages 53 to 54 of this annual report.

與股東之溝通

董事局明白與所有股東保持良好溝通的重要性，並致力於透過公布中期報告書、年報、公告及其他通函向股東公開和及時地披露相關資料的政策。本公司慣常地於公布中期及全年業績後舉行記者會及分析員簡報會，並定期與投資機構和投資分析員直接會面及進行電話會議（在公布業績前的強制性限制買賣期除外），確保股東及準投資者充分了解本公司之業務。為確保所有投資者及準投資者同時獲得相同的資訊，股價敏感資料會按照上市規則透過正式公告發放。

股東周年大會為股東與董事局交流意見提供了有利的平台。董事局鼓勵股東出席股東周年大會（其通知最少於二十一天前發出）。董事局主席、行政總裁、審核委員會及薪酬委員會之主席（或在彼等缺席的情況下，該等委員會之其他成員）連同外聘核數師將在大會上回應股東的提問。

Communication with Shareholders

The Board recognises the importance of good communications with all shareholders and is committed to a policy of open and timely disclosure of relevant information through published interim and annual reports, public announcements and other public circulars. The Company usually gives a press conference and analyst briefing immediately following the announcement of interim and final results. Face-to-face meetings and conference calls with institutional investors and investment analysts are conducted on a regular basis, except during the mandatory black-out period prior to result announcements, to make sure that shareholders and potential investors can obtain a good understanding of the Company's business. To ensure all investors and potential investors receive equal access to information at the same time, information considered to be of a price sensitive nature is released by formal public announcements as required by the Listing Rules.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Shareholders are encouraged to attend the annual general meeting for which at least 21 days prior notice is given. The Chairman of the Board, the Chief Executive Officer, Chairmen of the Audit and Remuneration Committees (or in their absence, other members of the Committee) and external auditors are available to answer shareholders' questions at the meeting.