

Corporate Governance Report

公司管治報告

The Company has adopted most of the Code Provisions as stated in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on the Stock Exchange as the Code on Corporate Governance Practices (“Code”) of the Company and the Board is committed to complying with the Code to the extent that the directors consider it is applicable to the Company and practical.

The corporate governance principles of the Group emphasise an effective Board, sound internal controls, appropriate independence policy, and transparency and accountability to all shareholders of the Company.

The Company has complied with most of the Code Provisions save for certain deviations from the Code Provisions, details of which will be explained below.

The Company is planning to comply with the Code Provisions on internal controls of the CG Code which are to be implemented for accounting periods commencing on or after 1 July 2005.

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD Responsibilities

The overall management of the Company’s business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors should make decisions objectively in the interests of the Company.

The functions of the Board are carried out either directly or through Board committees. To ensure the Board is in a position to exercise its powers in an informed manner, all members of the Board have full and timely access to all relevant information and may take independent professional advice if necessary.

The Board has the full support of the chief executive officer and senior management to discharge its responsibilities.

本公司已採納聯交所證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「企業管治守則」)的大部分守則條文，作為本公司的公司管治常規守則(「守則」)。董事會承諾，在董事會認為適用於本公司及切實可行的前提下，嚴格遵從守則行事。

本集團公司管治原則著重有效的董事會、良好的內部控制及恰當的獨立政策，並為本公司全體股東提供一個具透明度及問責的董事會。

本公司一直遵守大部分守則條文，惟守則條文的若干偏離除外，詳情將於下文闡述。

本公司正計劃遵從企業管治守則有關內部監控的守則條文，此等條文將於二零零五年七月一日或以後開始的會計期間實行。

本公司的主要公司管治原則及常規概述如下：

董事會 責任

董事會負責整體管理本公司的業務，其中肩負著領導及監控本公司的責任，並共同承擔指導及監督本公司事務的責任，推動本公司達致成功。全體董事應以本公司的利益為依歸，客觀作出決策。

董事會直接或透過董事委員會履行職務。為確保董事會在知情的情況下行使其職權，董事會全體成員均獲全面及及時提供所有相關資料，並可於有需要時諮詢獨立專業意見。

行政總裁及高級管理層全力支持董事會履行其責任。本公司已為董事及高級職員安排合適之責任保

Appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against the directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group has been arranged by the Company.

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

The Board currently comprises eight directors in total, with five executive directors and three independent non-executive directors. The directors of the Company during the year and up to the date of this report were as follows:

險，就本公司及其附屬公司的董事及高級職員因本集團企業活動而引致對其展開的法律訴訟提供保障。

組成

董事會的組成體現本公司有效領導及獨立決策所需適當之技巧及經驗。

董事會目前合共由八位董事組成，五位執行董事及三位獨立非執行董事。以下為本公司年內並截至本報告日期止的董事：

Name of Directors 董事姓名	Positions 職位
WANG Lu Yen 王祿閻	Chairman and executive director 主席兼執行董事
Peter Loris SOLOMON	Chief executive officer and executive director (appointed on 28 February 2006) 行政總裁兼執行董事(於二零零六年二月二十八日獲委任)
FU Jin Ming, Patrick 傅俊明	Executive director 執行董事
WONG Wai Ming 黃偉明	Executive director (redesignated from independent non-executive director to executive director on 18 May 2005) 執行董事(於二零零五年五月十八日由獨立非執行董事獲重新指派為執行董事)
KHOO Kim Cheng 邱錦宗	Executive director 執行董事
Steven Julien FENIGER 范倚棋	Chief executive officer and executive director (resigned on 28 February 2006) 行政總裁兼執行董事(於二零零六年二月二十八日辭任)
KWOK Chi Kueng 郭志強	Executive director (resigned on 24 January 2006) 執行董事(於二零零六年一月二十四日辭任)
WANG Arthur Minshiang 王敏祥	Independent non-executive director 獨立非執行董事
WOON Yi Teng, Eden 翁以登	Independent non-executive director 獨立非執行董事
TSE Hau Yin, Aloysius 謝孝衍	Independent non-executive director (appointed on 18 May 2005) 獨立非執行董事(於二零零五年五月十八日獲委任)

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. None of the members of the Board is related to one another.

During the year ended 30 April 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that the three independent non-executive directors are independent.

The independent non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors make various contributions to the effective direction of the Company.

Appointment, Re-election and Removal of Directors

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive 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 requirements of the business of the Company.

此外，本公司亦不時根據上市規則於本公司刊發的所有公司通訊內按類別披露董事名單。董事會成員之間概無任何關連。

於截至二零零六年四月三十日止年度，董事會於任何時間均符合上市規則有關委任最少三位獨立非執行董事的規定，而其中最少一位獨立非執行董事須具備合適的專業資格，或會計或相關的財務管理專業知識。

本公司已接到各獨立非執行董事的書面年度確認書，確認彼等均符合上市規則第3.13條所述之獨立性。根據有關確認書的內容，本公司認為三位獨立非執行董事均為獨立。

獨立非執行董事為董事會帶來淵博的營商及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議、引領處理涉及潛在利益衝突的管理事宜並供職於董事委員會，全體獨立非執行董事皆為本公司有效的導引作出種種的貢獻。

董事的委任、膺選連任及罷免

董事會整體負責檢討董事會的組成、就董事的提名及委任制定相關的程序、監察董事的委任及繼任計劃以及評核獨立非執行董事的獨立性。

董事會定期檢討其自身的架構、規模及組成，確保能切合本公司業務的需求，於專業知識、技能及經驗中取得平衡。

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to assist in the recruitment and selection process when necessary.

During the year ended 30 April 2006, the redesignation of Mr. WONG Wai Ming from independent non-executive director to executive director and the appointment of Mr. TSE Hau Yin, Aloysius as independent non-executive director and Mr. Peter Loris SOLOMON as executive director to fill casual vacancies were approved by unanimous consent of members of the Board or by the Board at meetings.

Each of Mr. WANG Lu Yen, Mr. FU Jin Ming, Patrick and Mr. KHOO Kim Cheng, being an executive director, has entered into a service contract with the Company with an initial term of three years from May 2002 and has continued thereafter until terminated by either party by not less than six months' notice in writing. Mr. WONG Wai Ming, an executive director, has entered into a service contract with the Company without specific terms which may be terminated by not less than six months' notice in writing. Currently, written service contract is yet to be entered into between the Company and Mr. Peter Loris SOLOMON, an executive director. However, it has been verbally agreed by Mr. Solomon with the Company that from 1 May 2006, Mr. Solomon is entitled to a revised base salary and a performance bonus subject to certain net profit after taxation targets being met; and the term of service is for two years commencing from 1 May 2006 and is terminable by either party giving 12 months' notice. Detailed terms of the remuneration package of Mr. Solomon are being reviewed and formalised between the Company and Mr. Solomon to reflect his new position as an executive director and the chief executive officer of the Group.

倘董事會出現空缺時，董事會將參照建議候選人的技能、經驗、專業知識、個人誠信及可為本公司付出的時間、本公司之需要及其他有關法例規定及守則，進行甄選程序，並在需要時外聘招聘代理進行招聘及甄選程序。

於截至二零零六年四月三十日止年度，黃偉明先生由獨立非執行董事重新指派為執行董事，並委任謝孝行先生為獨立非執行董事及委任Peter Loris SOLOMON先生為執行董事，以填補臨時空缺，其中已獲得董事會成員一致通過或獲得董事會於會上批准。

執行董事王祿閻先生、傅俊明先生及邱錦宗先生各人分別與本公司訂立一份服務合約，自二零零二年五月開始，為期三年，其後服務合約將繼續生效直至任何一方以書面形式提出不少於六個月的終止通知為止。執行董事黃偉明先生與本公司已訂立一份服務合約，其中並無特定的期限，惟可以書面形式提出不少於六個月的通知終止服務合約。目前，本公司與執行董事 Peter Loris SOLOMON 先生尚未訂立任何書面服務合約。然而，Solomon 先生已與本公司口頭協定，自二零零六年五月一日起 Solomon 先生可獲經修訂之底薪及表現花紅（惟須視乎能否達到若干除稅後純利目標而定），而服務年期自二零零六年五月一日起為期兩年，並可由其中一方發出十二個月通知而予以終止。Solomon 先生的薪酬組合條款詳情現正由本公司與 Solomon 先生予以檢討及落實，以反映其擔任本集團執行董事兼行政總裁的新職務。

Each of the three independent non-executive directors, namely Mr. WANG Arthur Minshiang, Dr. WOON Yi Teng, Eden and Mr. TSE Hau Yin, Aloysius, has first been appointed for a term of two years under a letter of appointment. Such term for each of Mr. WANG Arthur Minshiang and Dr. WOON Yi Teng, Eden has been renewed for a further two years upon expiry and Mr. TSE Hau Yin, Aloysius was newly appointed as an independent non-executive director on 18 May 2006. The appointment may be terminated by the independent non-executive directors by not less than one month's notice in writing.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's bye-laws provide that one-third of the directors for the time being (save for the Chairman), or if their number is not three nor a multiple of three, then the number nearest to one-third but not greater than one-third, shall retire by rotation from office and being eligible, offer themselves for re-election at each annual general meeting and that any new director appointed by the Board during the year shall hold office until the next annual general meeting after appointment and he/she shall be eligible for re-election at that meeting.

To conform with Code Provision A.4.2 of the CG Code, a special resolution will be proposed at the forthcoming annual general meeting of the Company to amend the Company's bye-laws so that all directors will be subject to retirement by rotation once every three years and any new director appointed by the Board to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

To be in line with the recent changes in the Listing Rules, the special resolution for the approval of the amendments to the Company's bye-laws will also include amendments to allow for removal of a director by an ordinary resolution.

王敏祥先生、翁以登博士及謝孝衍先生各人分別根據委任函件首次獲委任為獨立非執行董事，任期為兩年。王敏祥先生及翁以登博士的委任期已於屆滿時獲額外重續兩年，而謝孝衍先生則於二零零五年五月十八日成為新任之獨立非執行董事。獨立非執行董事可以書面形式提出不少於一個月的通知終止有關委任。

守則條文第A.4.2條規定，所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉。每名董事（包括有指定任期的董事）應最少每三年輪席告退一次。

本公司之公司細則訂明，於每一屆股東週年大會上當時三分之一的董事（主席除外）（或倘董事人數並非三之倍數，則為最接近三分之一但不多於三分之一的人數）須輪席告退及並合資格膺選連任，而年內董事會委任之任何新董事將繼續就任，直至獲委任後之下屆股東週年大會為止，屆時彼將合資格膺選連任。

為遵照企業管治守則的守則條文第A.4.2條，本公司將於應屆股東週年大會上提呈一項特別決議案，以修改本公司的公司細則，藉此全體董事將須最少每三年輪席告退一次，及為填補臨時空缺而獲董事會委任的任何新董事將於委任後首次股東大會上由股東重選。

為符合上市規則近期的修改，批准修改本公司公司細則的特別決議案亦將包括修改准許以一項普通決議案罷免董事。

The Board recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

The Company's circular to be dated on or about 31 July 2006 will contain detailed information of the directors standing for re-election.

Training for Directors

Each newly appointed director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

Board Meetings

Number of Meetings and Directors' Attendance

Regular Board meetings are held four times a year at approximately quarterly intervals primarily for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year ended 30 April 2006, four regular Board meetings were held and the attendance rate was approximately 100%.

The Board met four times during the year ended 30 April 2006 for approving the audited final results for the year ended 30 April 2005, unaudited results for the three months ended 31 July 2005, unaudited interim results for the six months ended 31 October 2005 and unaudited results for the nine months ended 31 January 2006.

董事會建議於本公司應屆股東週年大會上重新委任膺選連任的董事。

本公司於二零零六年七月三十一日或前後刊發的通告將載有有關膺選連任董事的詳情。

董事培訓

各新委任董事於首次獲委任時均會獲得一項全面、正規及切合個人需要的入職指引，以確保彼對本集團業務及運作持恰當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。

有需要時，本公司亦會安排向董事提供持續簡介及專業發展。

董事會會議

會議次數及董事出席率

董事會每年舉行四次定期會議，大約每一季度一次。會議上首要檢討及批准財務及營運表現，並考慮及批准本公司整體策略及政策。

於截至二零零六年四月三十日止年度，本公司已舉行四次定期董事會會議，出席率約為100%。

於截至二零零六年四月三十日止年度，董事會已舉行四次會議，以批准截至二零零五年四月三十日止年度的經審核末期業績、截至二零零五年七月三十一日止三個月的未經審核業績、截至二零零五年十月三十一日止六個月的未經審核中期業績以及截至二零零六年一月三十一日止九個月的未經審核業績。

The individual attendance record of each director at the meetings of the Board, Remuneration Committee and Audit Committee during the year ended 30 April 2006 is set out below:

各董事於截至二零零六年四月三十日止年度的董事會、薪酬委員會及審核委員會會議之個人出席率載列如下：

Name of Directors 董事姓名	Attendance/Number of Meetings 出席率／會議次數		
	Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
WANG Lu Yen 王祿聞	4	2	N/A 不適用
Peter Loris SOLOMON (Note 1)(附註1)	1	N/A 不適用	1*
FU Jin Ming, Patrick 傅俊明	4	N/A 不適用	N/A 不適用
WONG Wai Ming (Note 2) 黃偉明(附註2)	4	(Note 5) (附註5)	3*
KHOO Kim Cheng 邱錦宗	4	3*	3*
WANG Arthur Minshiang 王敏祥	3	3	4
WOON Yi Teng, Eden 翁以登	4	3	4
TSE Hau Yin, Aloysius 謝孝衍	4	3	4
Steven Julien FENIGER (Note 3) 范倚棋(附註3)	3	2	3*
KWOK Chi Kueng (Note 4) 郭志強(附註4)	3	1*	3*
Number of meetings held 已舉行會議次數	4	3	4

Notes:

附註：

1. Mr. Peter Loris SOLOMON was appointed as executive director and chief executive officer and member of the Executive Committee of the Board on 28 February 2006.
2. Mr. WONG Wai Ming was redesignated from independent non-executive director to executive director and ceased to act as member of the Audit Committee of the Board and the chairman and member of the Remuneration Committee of the Board on 18 May 2005.

1. Peter Loris SOLOMON 先生於二零零六年二月二十八日獲委任為執行董事、行政總裁兼董事會執行委員會成員。
2. 黃偉明先生於二零零五年五月十八日由獨立非執行董事重新指派為執行董事，並不再擔任審核委員會成員以及薪酬委員會主席兼成員。

3. Mr. Steven Julien FENIGER resigned as executive director and chief executive officer and ceased to act as member of various Board committees on 28 February 2006.
 4. Mr. KWOK Chi Kueng resigned as executive director on 24 January 2006.
 5. No meeting was held during his term as a member of the committee.
- * The directors are not members of the committee at the relevant time but attended the meetings by invitation.

Two new Board committees, the Investment Committee and the Strategy Committee were established on 21 April 2006 and the Investment Committee and the Strategy Committee have held two meetings and one meeting respectively since their establishment up to the date of this report with 100% attendance rate.

In place of physical meetings, the Board and Board committees also circulate written resolutions for approval by the relevant members of the Board and Board committees.

Code Provision E.1.2 provides that the chairman of the Board should attend the annual general meeting of the Company. It has always been the intention of the Company to comply with this Code Provision. However, due to unexpected business commitment, Mr. WANG Lu Yen, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 19 August 2005.

Practices and Conduct of Meetings

Meeting schedules and draft agenda of each meeting are made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

3. 范倚棋先生於二零零六年二月二十八日辭任執行董事兼行政總裁，並不再擔任各董事委員會的成員。
 4. 郭志強先生於二零零六年一月二十四日辭任執行董事。
 5. 於其擔任委員會成員期間，該委員會並無舉行任何會議。
- * 董事於有關時間並非委員會成員，但有獲邀出席有關會議。

本公司於二零零六年四月二十一日成立兩個新的董事委員會 — 投資委員會及策略委員會，自其成立日期起至本報告日期止，投資委員會舉行了兩次會議，而策略委員會則舉行了一次會議，出席率為100%。

董事會及董事委員會亦傳閱書面決議案替代親身列席會議，以尋求董事會及董事委員會有關成員的批准。

守則條文第E.1.2條規定，董事會主席須出席本公司之股東週年大會。本公司原擬遵守此一守則條文，惟由於有未能預料之公務纏身，董事會主席王祿閻先生未能出席本公司於二零零五年八月十九日舉行之股東週年大會。

會議常規及守則

會議的時間表及每次會議之議程初稿均提前編製以供董事參閱。

董事會定期會議的通告均在會議舉行前至少14天向全體董事發出。至於其他董事會及委員會會議通告，則於合理的時間內發出。

Board papers together with all appropriate, complete and reliable information are sent to all directors at least three days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The chief executive officer, chief financial officer, qualified accountant and company secretary of the Company attend all regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The company secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft and final versions of minutes of board meetings are normally sent to directors for their comment and records respectively, in both cases within a reasonable time after each meeting is held.

According to the current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's bye-laws also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of the chairman is separate from that of the chief executive officer of the Group. Currently, the two positions are held by Mr. WANG Lu Yen and Mr. Peter Loris SOLOMON (who are not related to each other) respectively. Their respective responsibilities are clearly defined and set out in writing, details of which are stated below.

The chairman's principal role is to provide leadership for the Board, in particular, the Executive Committee, on corporate and strategic planning and ensure proper proceedings of the Board and the Executive Committee.

董事會文件連同所有適當、完整及可靠的資料在各董事會或委員會會議舉行前至少三天向全體董事發出，致使董事能了解本公司最近期的發展及財務狀況，因而可作出知情的決定。此外，董事會及各董事在必要的情況下亦可個別及單獨與高級管理層接觸。

本公司行政總裁、財務總裁、合資格會計師及公司秘書均會出席所有董事會定期會議，如有需要，彼等亦會出席其他董事會及委員會會議，就本公司業務發展、財務及會計事宜、法定遵守事宜、公司管治及其他重大方面提供意見。

公司秘書負責撰寫及保管所有董事會會議及委員會會議的會議紀錄。董事會會議的會議紀錄初稿及最終定稿一般在有關會議結束後一段合理時間內發送董事，初稿供董事表達其意見，而最後定稿則供董事作保存之用。

根據現行之董事會常規，與主要股東或董事涉及利益衝突之任何重大交易將由董事會於正式召開的董事會會議上考慮及處理。本公司的公司細則亦載有條文規定，倘有關董事或其任何聯繫人士於交易中擁有重大利益，有關董事須放棄表決，且不得計入批准交易的會議的法定人數之內。

主席及行政總裁

本集團主席與行政總裁的角色清楚區分。目前該兩個職位分別由王祿閻先生及 Peter Loris SOLOMON 先生擔任，而兩者之間並無任何關連。本公司已明確界定彼等各自的責任並已書面載列，有關詳情載於下文。

主席之主要責任為領導董事會，尤其是執行委員會進行企業及策略規劃，確保董事會及執行委員會按照恰當的程序運作。

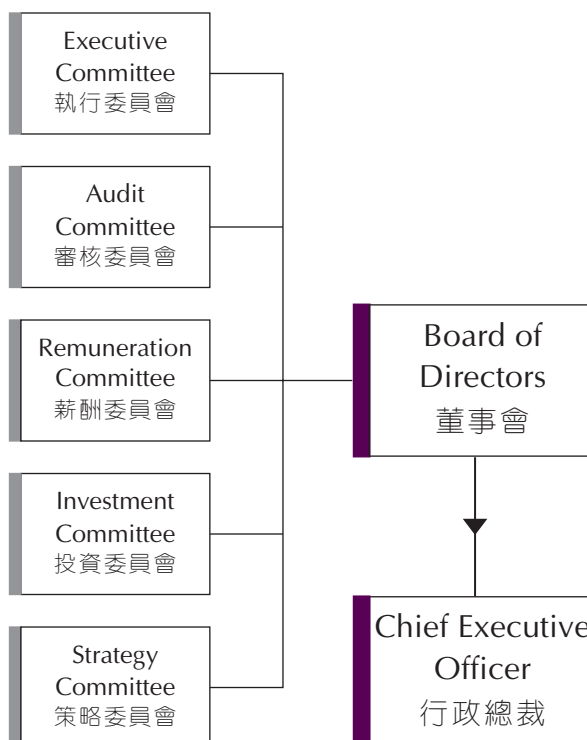
Supported by the executive directors and the senior management, the chief executive officer's principal role is to manage and operate the Group's day-to-day business, including the implementation of major strategies and initiatives adopted by the Board.

BOARD COMMITTEES

The Board has established five committees, namely, the Executive Committee, Remuneration Committee, Audit Committee, Investment Committee and Strategy Committee, for overseeing particular aspects of the Company's affairs.

After the recent revamping of the Company's website www.linmark.com, terms of reference of all Board committees are now available on the corporate website for reference.

Current Structure of the Board 董事會現時架構



行政總裁在執行董事及高級管理層的支持下，主要負責管理及經營本集團的日常業務，包括履行董事會採納的重要策略與措施。

董事委員會

為監督本公司個別方面的事務，董事會已成立五個委員會，即執行委員會、薪酬委員會、審核委員會、投資委員會及策略委員會。

經改進本公司網站 www.linmark.com 後，本公司現已將所有董事委員會的職權範圍登載於公司網站，以供參考。

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

EXECUTIVE COMMITTEE

The Executive Committee consists of all the executive directors as follows:

WANG Lu Yen (chairman of the committee)
Peter Loris SOLOMON (chief executive officer)
FU Jin Ming, Patrick
WONG Wai Ming
KHOO Kim Cheng

The Board has delegated the day-to-day management and operation functions of the Group to the Executive Committee save to the extent that certain powers and authorities are reserved to the other Board committees or the full Board. The powers and authorities reserved to the full Board include the following but are not limited to:

- (a) matters involving a conflict of interest for a substantial shareholder and/or a director;
- (b) making decisions on whether or not to declare, recommend or pay dividend;
- (c) approving (i) the publication of preliminary announcement of the profits or losses in respect of annual results or interim results and (ii) the related financial statements and/or accounts;
- (d) approving any proposed change in the capital structure, including any redemption of its securities listed on the Stock Exchange;
- (e) approving any decision to change the general character or nature of the business of the Company;
- (f) approving any discloseable transaction, major transaction, very substantial acquisition or connected transaction within the meaning of Chapters 14 and 14A of the Listing Rules;

董事委員會具備充足的資源履行其職務，並在恰當的情況下，可應合理的要求尋求獨立專業的意見，費用由本公司支付。

執行委員會

執行委員會由以下全體執行董事組成：

王祿闇 (委員會主席)
Peter Loris SOLOMON (行政總裁)
傅俊明
黃偉明
邱錦宗

董事會已授權執行委員會負責本集團日常的管理及營運職務，惟若干職權及權力由其他董事委員會及全體董事會保留。由全體董事會保留的職權及權力包括(但不限於)：

- (a) 涉及主要股東及／或董事利益衝突的事項；
- (b) 決定會否宣派、建議或支付股息；
- (c) 批准(i)刊發有關年度業績或中期業績的盈虧初步公佈及(ii)相關財務報告及／或賬目；
- (d) 批准資本架構的任何改動建議，包括贖回任何其根據聯交所上市的證券；
- (e) 批准有關更改本公司業務整體特點或性質的任何決定；
- (f) 批准任何按上市規則第14及14A章所界定的須予披露交易、主要交易、非常重大收購事項或關連交易；

- (g) matters specifically set out in the Listing Rules which require an approval at a full board meeting; and
- (h) any regulations or resolutions or restrictions that may be imposed upon the committees by the Board from time to time.

The authorities reserved to the Remuneration Committee are more particularly discussed below.

AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors as follows:

WANG Arthur Minshiang	(chairman of the committee)
WOON Yi Teng, Eden	
TSE Hau Yin, Aloysius	(appointed member on 18 May 2005)
WONG Wai Ming	(ceased to act as member on 18 May 2005)

None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The primary duties of the Audit Committee are to review the Company's annual reports and accounts, interim reports and quarterly results announcements and to provide advice and comments thereon to the directors. The members meet regularly with the internal auditor, external auditors and the Company's senior management for the review and supervision of the Company's financial reporting and internal control procedures. The Audit Committee is also responsible for monitoring integrity of financial statements of the Company and the Company's annual report and accounts, interim report and quarterly reports, and to review significant financial reporting judgments contained in them.

During the year under review, the Audit Committee held four meetings to:

- (a) review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board;

- (g) 上市規則所指須於全體董事會會議上批准的事宜；及
- (h) 董事會可不時對委員會施加的任何規例或決議案或限制。

保留給薪酬委員會的權力於下文載有更詳細的討論。

審核委員會

審核委員會由以下三位獨立非執行董事組成：

王敏祥	(委員會主席)
翁以登	
謝孝衍	(於二零零五年五月十八日獲委任為成員)
黃偉明	(於二零零五年五月十八日不再擔任成員)

概無審核委員會成員為本公司現任外聘核數師的前合伙人。

審核委員會的主要職責是審議本公司年報與賬目、中期報告及季度業績公佈，並就此向董事提供建議及意見。審核委員會成員定期與內部核數師、外聘核數師及本公司高級管理層舉行會議，對本公司的財務報告及內部監控程序進行審議及監督。此外，審核委員會亦負責監督本公司財務報告、本公司年報與賬目、中期報告及季度報告的真確性，並審議其中所載重大的財務報告判斷。

於本回顧年度，審核委員會舉行了四次會議，目的為：

- (a) 審議財務報告及報告，並在呈交董事會前考慮由合資格會計師、內部核數師或外聘核數師提出的任何重大或不尋常項目；

- (b) review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and
- (c) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee also reviewed the terms and conditions of connected transactions and continuing connected transactions of the Company which took place during the year under review.

The Company's annual results for the year ended 30 April 2006 has been reviewed by the Audit Committee.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee (formerly known as Compensation Committee) comprises four members, the majority of which are independent non-executive directors, as follows:

WOON Yi Teng, Eden	(appointed the chairman of the committee on 18 May 2005)
WANG Arthur Minshiang TSE Hau Yin, Aloysius	(appointed member on 18 May 2005)
WANG Lu Yen Steven Julien FENIGER	(ceased to act as member on 28 February 2006)
WONG Wai Ming	(ceased to act as member and the chairman of the committee on 18 May 2005)

- (b) 參照外聘核數師所履行的工作後，審議與外聘核數師的關係、其酬金及聘任條款，並就委任、重新委任及撤換外聘核數師向董事會提出建議；及
- (c) 審議本公司財務報告系統、內部監控系統、風險管理系統及相關程序的充足程度及效力。

此外，審核委員會亦審議本公司於本回顧年度內進行的關連交易及持續關連交易的條款及條件。

審核委員會已審議本公司截至二零零六年四月三十日止年度的年度業績。

董事會與審核委員會之間就本回顧年度內挑選及委任外聘核數師並無出現意見分歧。

薪酬委員會

薪酬委員會由下列四位成員組成，以獨立非執行董事佔多數：

翁以登	(於二零零五年五月十八日獲委任為委員會主席)
王敏祥 謝孝衍	(於二零零五年五月十八日獲委任為成員)
王祿聞 范倚棋	(於二零零六年二月二十八日不再擔任成員)
黃偉明	(於二零零五年五月十八日不再擔任委員會成員兼主席)

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the directors and senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee shall consult the chairman and/or the chief executive officer of the Company about their recommendations on remuneration policy and structure and remuneration packages.

The terms of reference of the Remuneration Committee were in compliance with the Code Provisions except modifications have been made to Code Provision B.1.3 (a) such that the Remuneration Committee has the power to do such things and to approve all matters in relation to compensation regarding all the directors and senior management in accordance with the terms and conditions of their respective agreement/contract with the Company, or as the case may be, the relevant subsidiary of the Company and Code Provision B.1.3 (b) has been deleted. In addition, the Remuneration Committee is also delegated with the authority to exercise all the powers of the Board in relation to the share option scheme of the Company.

Management considers that the Remuneration Committee can better serve its functions under the modified terms (“Modified Terms”) of reference of the Remuneration Committee set out above (i.e. the expansion of the scope of Code Provision B.1.3 (a) and the deletion of Code Provision B.1.3(b)) as its duties under the Modified Terms are more extensive and onerous than those prescribed in the Code Provisions. The Company therefore proposes that the Remuneration Committee shall continue to abide by the provisions of the Modified Terms in the future.

During the year under review, the Remuneration Committee reviewed and approved the remuneration packages of the executive directors and senior management and no directors were involved in deciding his own remuneration.

薪酬委員會的首要目標包括就薪酬政策及架構與董事及高級管理層的薪酬組合提供建議，並審批此等政策架構及薪酬組合。另外，薪酬委員會亦負責制定發展有關薪酬政策及架構的透明程序，以確保概無董事或其任何聯繫人士將參與釐定其本身之薪酬。彼等之薪酬將經參照個人及本公司表現以及市場慣例及狀況後釐定。薪酬委員會須就薪酬政策、架構及薪酬組合諮詢本公司主席及／或行政總裁的建議。

薪酬委員會之職權範圍乃符合守則條文之規定，惟已對守則條文第B.1.3(a)條作出修訂除外，據此薪酬委員會有權根據有關人員與本公司或其有關附屬公司(視乎情況而定)訂立協議／合約之條款與條件，處理及批准有關本集團所有董事及高級管理層之薪酬事宜，並已刪除守則條文第B.1.3(b)條。此外，薪酬委員會亦獲授權就本公司之購股權計劃行使董事會之一切權力。

管理層認為，薪酬委員會在上文所載之經修訂薪酬委員會職權範圍(「經修訂職權範圍」)(即擴大守則條文第B.1.3(a)條及刪除守則條文第B.1.3(b)條)下可更有效地履行其職能，原因是其職責在經修訂職權範圍下較守則條文所規定者涵蓋範圍更為廣泛及嚴謹。因此，本公司建議薪酬委員會日後將繼續遵守經修訂職權範圍之條文。

於本回顧年度內，薪酬委員會已審議及批准執行董事及高級管理層的薪酬組合，概無董事參與釐定其本身的薪酬。

INVESTMENT COMMITTEE

The Investment Committee established on 21 April 2006 comprises three executive directors as follows:

KHOO Kim Cheng (chairman of the committee)
Peter Loris SOLOMON
WONG Wai Ming

The primary duties of the Investment Committee are to review or recommend to the Board the investment transactions of the Group.

The main duties of the Investment Committee include the following:

- (a) to review, recommend and approve matters relating to mergers and acquisitions, disposal and formation of any entities and joint ventures which would NOT constitute notifiable transactions under the Listing Rules;
- (b) to review and recommend matters to the Board for approval relating to mergers and acquisitions, disposal and formation of any entities and joint ventures which would constitute notifiable transactions under the Listing Rules; and
- (c) to review and recommend capital market activities.

STRATEGY COMMITTEE

The Strategy Committee established on 21 April 2006 comprises five executive directors as follows:

WANG Lu Yen (chairman of the committee)
Peter Loris SOLOMON
FU Jin Ming, Patrick
WONG Wai Ming
KHOO Kim Cheng

The primary duties of the Strategy Committee are to formulate and review the strategies for the development of the Group and to review and make recommendations to the Board on corporate strategies for approval and for subsequent implementation by the chief executive officer and other executive directors.

投資委員會

投資委員會於二零零六年四月二十一日成立，以下為組成投資委員會的三位執行董事：

邱錦宗(委員會主席)
Peter Loris SOLOMON
黃偉明

投資委員會的首要職務為向董事會審議或建議本集團的投資交易。

投資委員會的主要職務包括下列各項：

- (a) 審議、建議及批准有關合併及收購、出售及組建任何實體及合資企業的事宜，該等事宜根據上市規則不會構成須予公佈交易；
- (b) 向董事會審議及建議有關合併及收購、出售及組建任何實體及合資企業的事宜並尋求批准，該等事宜根據上市規則將會構成須予公佈交易；及
- (c) 審議及建議資本市場活動。

策略委員會

策略委員會於二零零六年四月二十一日成立，以下為組成策略委員會的五位執行董事：

王祿閻(委員會主席)
Peter Loris SOLOMON
傅俊明
黃偉明
邱錦宗

策略委員會的首要職務為制定及審議發展本集團的策略，並向董事會審議及建議供行政總裁及其他執行董事批准並其後實行的公司策略。

INTERNAL AUDIT

During the year under review, the Group's Internal Audit Department ("IAD") was established to assist the management to identify and manage current and emerging risks and accomplish its corporate objectives and strategies by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes, and to assist the Audit Committee to discharge their oversight responsibilities on a continuous basis. The primary objective of IAD is to provide independent and objective assurance to the Board and management as to the adequacy and effectiveness of the Group's risk management, internal controls and corporate governance processes. It reports directly to the Audit Committee and administratively to the chief executive officer and chief financial officer of the Group.

During the year under review, IAD had conducted a risk assessment which involved identification and analysis of risks underlying the achievement of the Group's objectives, including risks relating to the changing regulatory and operating environment and the Group's business strategies, as a basis for determining how such risks should be mitigated and managed and also as a basis for formulating the internal audit plan ("IA Plan") for the next three financial years. The IA Plan which focuses on areas with relatively higher perceived risks was approved by the Audit Committee on 28 June 2006. The scope of work will be reviewed, discussed and agreed with the Audit Committee and the management at the beginning of each financial year. In addition, a regular dialogue will be maintained with the Group's external auditors so that both are aware of the significant factors which may affect their respective scopes of work.

IAD will submit regular internal audit reports to the Board, Audit Committee, the chief executive officer and chief financial officer on its findings, recommendations and agreed management actions. IAD will also closely follow up the management's actions and report to the Board and Audit Committee periodically.

內部審核

於本回顧年度內，本集團設立內部審核部門（「內部審核部門」），協助管理層識別及管理目前及潛在的風險，以具系統兼嚴謹的方式評核及改善風險管理、內部監控及管治程序的效力，達成公司目標及策略，並持續協助審核委員會履行其監督責任。內部審核部門的首要目標乃向董事會及管理層就本集團風險管理、內部監控及公司管治程序之足夠性及效力提供獨立性及客觀性之保證。內部審核部門直接向審核委員會匯報，行政上則向本集團行政總裁及財務總裁匯報。

於本回顧年度內，內部審核部門已進行涉及與達成本集團目標相關的風險識別及分析之風險評估，其中包括有關不時改變的法規及經營環境以及本集團的業務策略之風險，作為釐定本集團如何減低及管理有關風險的基準，同時亦為制定未來三個財政年度的內部審核計劃（「內部審核計劃」）的基準。針對相對較高並已確認的風險之內部審核計劃已於二零零六年六月二十八日獲審核委員會批准。工作的範圍將於各財政年度開始時與審核委員會及管理層審議、討論及協議。此外，內部審核部門將與本集團的外聘核數師保持溝通，致使雙方均知悉可影響各自工作範圍的重大因素。

內部審核部門將定期就其審核結果、建議及協定的管理層行動向董事會、審核委員會、行政總裁及財務總裁提交內部審核報告。此外，內部審核部門亦密切跟進管理層行動，並定期向董事會及審核委員會匯報。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 30 April 2006.

The Company has also established written guidelines on no less exacting terms than the Model Code (“Employees Written Guidelines”) for securities transactions by relevant employees who are likely to be in possession of unpublished price-sensitive information in relation to the Company and its securities.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND AUDITORS’ REMUNERATION

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other publications of the Company and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 30 April 2006.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the “Report of the Auditors” contained in this annual report.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 30 April 2006 amounted to approximately US\$189,000 and US\$309,000 respectively.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The Company follows the practices stated in the CG code regarding shareholder rights and investor relations.

進行證券交易的標準守則

本公司已採納上市規則附錄10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」）。

在向所有董事作出特定查詢後，全體董事確認已於截至二零零六年四月三十日止整個年度內遵守標準守則。

此外，就有關可能擁有與本公司及其證券相關的未經公佈的股價敏感資料之僱員進行證券交易，本公司已制定不遜於標準守則所載條款的明文指引（「僱員明文指引」）。

據本公司所悉，相關僱員並無違反僱員明文指引。

有關財務報告及核數師酬金的責任

董事會負責就本公司年報及中期報告、股價敏感公佈及其他刊物以及其他根據上市規則及其他監管規定須作出之披露呈報一個持平、清晰及易於理解的評估。

董事確認彼等負責編製本公司截至二零零六年四月三十日止年度的財務報告。

本公司外聘核數師就財務報告之申報責任作出的聲明載於本年報內之「核數師報告」。

本公司外聘核數師就截至二零零六年四月三十日止年度的審核服務及非審核服務而獲付的酬金分別約為189,000美元及309,000美元。

股東權利及投資者關係

本公司遵守企業管治守則所載有關股東權利及投資者關係的常規。

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's bye-laws. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in local papers on the business day following the shareholders' meeting.

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The chairman of the Board as well as chairman of the Audit Committee, Remuneration Committee, Investment Committee and Strategy Committee or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To stay in line with the current corporate trend, the Board has been reporting the Company's financial results on a quarterly basis since the financial year commenced on 1 May 2003. The Board aims at, with the implementation of such reporting schedules, informing shareholders of the performance of the Group on a more frequent and timely manner and to further enhance the Company's relationships with investors and media.

Besides, as to promote effective communication, the Company also maintains a website at www.linmark.com, where extensive information and updates on the Company's business developments and operations, corporate governance practices and other information are posted.

Hong Kong, 28 June 2006

股東之權利及要求於股東大會上以投票方式表決決議案之程序載於本公司之公司細則內。有關以投票方式表決之權利及以投票方式表決程序之詳情已載於致股東之所有通函內，並於會議進行期間內作出解釋。

投票結果將於股東大會後之營業日於本地報章內刊登。

本公司股東大會為股東及董事會提供溝通之平台。董事會主席以及審核委員會、薪酬委員會、投資委員會及策略委員會之主席(或於彼等缺席之情況下，各委員會之其他委員或獨立董事委員會(倘適用))將於股東大會上回答提問。

每項重大事項(包括選舉個別董事)將於股東大會上以獨立決議案提呈。

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員維持定期與機構投資者及分析師進行對話，以讓彼等了解本公司之最新發展情況。本公司會適時詳盡解答投資者之查詢。

為配合目前企業趨勢，董事會由二零零三年五月一日開始的財政年度起，每季公佈本公司的財務業績。董事會希望透過實施此公佈時間表，更頻密並適時向股東匯報本集團的表現，進一步促進本公司與投資者及傳媒的關係。

此外，為促進有效溝通，本公司亦設有網站 www.linmark.com，廣泛登載本公司業務發展及營運之最新資訊、公司管治常規及其他訊息。

香港，二零零六年六月二十八日