

# 企業管治報告

## Corporate Governance Report

根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄23，YGM貿易有限公司（「本公司」）之董事會（「董事會」）呈報於回顧年度之企業管治報告。

### 企業管治常規

董事會確信公司管治為本公司成功的關鍵，並已採取多項措施，以確保嚴格遵守有關之監管規定，從而達致高透明度之企業管治，提昇公司表現。

董事會認為，除非執行董事並無指定明確任期而須根據本公司組織章程於本公司股東週年大會輪值告退及重選外，本公司於截至二零零六年三月三十一日止年度內一直遵守上市規則附錄十四所載之企業管治常規守則。

### 董事之證券交易

本公司已採納有關董事證券交易之證券買賣守則，其條款不遜於上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）載列之規定準則。經過本公司向所有董事作出具體查詢後，所有董事已確認，彼等於回顧年度內，一直遵守標準守則載列之規定準則及其證券買賣守則。

### 董事會

董事會的主要職責包括制定策略性計劃、採納企業策略、評估投資項目、監察及控制本集團的經營及財務表現，以及評估及管理本集團所承受的風險。

董事會包括7名執行董事，分別為陳瑞球先生、陳永奎先生、陳永樂先生、陳永棋先生、陳永滔先生、傅承蔭先生及周陳淑玲女士，以及3名獨立非執行董事，分別為梁學濂先生、王霖先生及林克平先生。

Pursuant to Appendix 23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Board of Directors (the “Board”) of YGM Trading Limited (the “Company”) presents this Corporate Governance Report for the year under review.

### Corporate Governance Practices

The Board firmly believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure its strict compliance with relevant regulatory requirements, a high level of transparency in corporate governance and an excellent performance in operation.

In the opinion of the Board, the Company has complied throughout the year ended 31 March 2006 with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Company's articles of association.

### Directors' Securities Transactions

The Company has adopted a Securities Dealing Code regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in Appendix 10 of the Listing Rules. All Directors have confirmed, upon specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and its Securities Dealing Code throughout the year under review.

### Board of Directors

The major responsibilities of the Board include formulation of strategic plans, adoption of corporate strategies, assessment of investment projects, monitoring and controlling the Group's operating and financial performance, assessment and management of risk to which the Group is exposed.

The Board comprises seven executive Directors, being Messrs. Chan Sui Kau, Chan Wing Fui, Peter, Chan Wing Sun, Samuel, Chan Wing Kee, Chan Wing To and Fu Sing Yam, William and Madam Chan Suk Ling, Shirley, and three independent non-executive Directors, being Messrs. Leung Hok Lim, Wong Lam and Lin Keping.

## 董事會 (續)

本公司已根據上市規則的規定委任足夠人數的獨立非執行董事，彼等均具備合適的專業資格，例如有關會計及財務管理的專業知識。本公司已接獲各獨立非執行董事根據上市規則第3.13條有關其獨立性的年度確認函件。

董事會於年內舉行了4次會議，各董事之出席記錄載列如下：

		出席／舉行會議次數 Meetings attended / Held
<b>董事</b>	<b>Directors</b>	
陳瑞球	Chan Sui Kau	4 / 4
陳永奎	Chan Wing Fui, Peter	4 / 4
陳永樂	Chan Wing Sun, Samuel	4 / 4
周陳淑玲	Chan Suk Ling, Shirley	4 / 4
傅承蔭	Fu Sing Yam, William	4 / 4
陳永棋	Chan Wing Kee	4 / 4
陳永滔	Chan Wing To	3 / 4
梁學濂	Leung Hok Lim	4 / 4
王霖	Wong Lam	4 / 4
林克平	Lin Keping	4 / 4

## Board of Directors (continued)

The Company has appointed a sufficient number of independent non-executive Directors with suitable professional qualifications, such as expertise in accounting and financial management, in accordance with the requirements of the Listing Rules. 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 Board held four meetings during the year. The attendance record of individual Directors is as follows:

## 主席及行政總裁

董事會主席及本公司行政總裁之角色互相分立，各自有明確之職責區分。董事會主席負責制定企業策略及整體業務發展規劃；行政總裁則負責監督日常業務活動之執行。在董事會層面，這兩者之職責清楚區分，旨在確保權力及授權分佈均衡。行政總裁乃主席之兒子，而其他董事之間之關係詳情於第31至33頁中披露。

## Chairman and Chief Executive Officer

The roles of the Chairman of the Board and the Chief Executive Officer of the Company are separated, with a clear division of responsibilities. The Chairman of the Board is responsible for formulating corporate strategies and overall business development planning. The Chief Executive Officer's duty is to oversee the execution of daily business activities. The division of responsibilities at the board level is to ensure a balance of power and authority. The Chief Executive Officer is the son of the Chairman, details of the relationship between other Directors are disclosed on pages 31 to 33.

## 審核委員會

根據上市規則之規定，本公司為審核委員會制訂書面職權範圍。審核委員會由三名獨立非執行董事組成，即梁學濂先生、王霖先生及林克平先生，審核委員會主席為梁學濂先生。審核委員會於年內曾召開兩次會議，出席率為百分之百。

審核委員會主要負責監管本公司財務報表之完整性、審閱本公司內部監控系統、評估財務資料及有關披露，及審閱關連交易。

審核委員會已審閱截至二零零六年三月三十一日止年度之本集團經審核財務報表、內部監控系統及關連交易。

## 薪酬委員會

薪酬委員會由5名成員組成，分別為2名執行董事陳永奎先生（主席）及陳永樂先生，以及3名獨立非執行董事，即梁學濂先生、王霖先生及林克平先生組成。本公司已根據上市規則的規定制定薪酬委員會的書面職權範圍。

薪酬委員會負責確保制定酬金政策的程序合乎規範及透明，以及監督董事的酬金組合，當中會考慮可作比較公司支付的薪金及薪酬、董事投放的時間及責任等因素。委員會亦會考慮所提供酬金就各有關人士的職務及表現而言是否恰當，以及該等酬金有否競爭力及吸引力是否足以挽留該等人士。

薪酬委員會於年內曾召開一次會議，出席率為百分之百。

## Audit Committee

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Messrs Leung Hok Lim, Wong Lam and Lin Keping. Mr. Leung Hok Lim is the chairman of the Audit Committee. The Audit Committee held two meetings during the year with an attendance rate of 100%.

The Audit Committee is mainly responsible for monitoring the integrity of the Company's financial statements, reviewing the Company's internal control system and its execution, evaluating financial information and related disclosure; and reviewing connected transactions.

The Group's audited financial statements, internal control system and connected transactions for the year ended 31 March 2006 have been reviewed by the Audit Committee.

## Remuneration Committee

The Remuneration Committee consists of two executive Directors, namely Messrs Chan Wing Fui, Peter (chairman of the remuneration committee) and Chan Wing Sun, Samuel, and three independent non-executive Directors, namely Messrs Leung Hok Lim, Wong Lam and Lin Keping. The Company had formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and in overseeing remuneration packages of the Directors. It takes into consideration factors such as salaries and compensation packages paid by comparable companies, time commitment and responsibilities of the Directors. It would also take into account whether the emoluments offered are appropriate to the duties and performance of the respective individuals concerned and whether such emoluments are competitive and sufficiently attractive to retain such individuals.

The Remuneration Committee convened one meeting during the year with an attendance rate of 100%.

## 董事提名

董事會尚未成立提名委員會。根據本公司之公司章程，本公司股東可以提名董事候選人，董事候選人由董事會以提案方式提交本公司股東週年大會批准。有關提名董事候選人的意圖以及候選人表明願意接受提名的書面通知，應在不早於股東週年大會通告派發當日及不遲於該股東週年大會召開前發給本公司。有關提名及接受提名期限應不少於七天。

## 董事就財務報表所承擔之責任

董事負責監督每個財政期間之財務報表之編製工作，以確保該等財務報表能夠真實與公平地反映本集團於有關期間之財政狀況、業績及現金流量。本公司財務報表之編製均符合所有有關法規及適用會計準則之規定。董事有責任確保選擇及貫徹應用合適之會計政策，以及作出審慎及合理之判斷及估計。

本公司核數師畢馬威會計師事務所之申報責任載於本年報第35頁至第36頁核數師報告內。

## 核數師之酬金

本集團就法定審核工作而支付之核數師酬金總額為港幣3,189,000元（二零零五年：港幣3,020,000元），其中港幣1,918,000元（二零零五年：港幣1,668,000元）支付予本集團之主要核數師畢馬威會計師事務所。

## Nomination of Directors

The Board has not established a Nomination Committee. Pursuant to the Company's Articles of Association, shareholders of the Company are entitled to propose candidates. The proposal for the appointment of directors should be submitted at the annual general meeting for approval. The intention for proposing director candidates and the acceptance of nomination by the candidates should be submitted in writing to the Company no earlier than the date of dispatch of annual general meeting notice and no later than the annual general meeting. Time limits for nomination and acceptance of nomination should not be less than 7 days.

## Directors' Responsibility for the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable.

The reporting responsibilities of KPMG, the Company's auditors, are set out in the Auditors' Report on pages 35 to 36 of this Annual Report.

## Auditors' Remuneration

Total auditors' remuneration in relation to the statutory audit of the Group amounted to HK\$3,189,000 (2005 : HK\$3,020,000) of which a sum of HK\$1,918,000 (2005: HK\$1,668,000) was paid or payable to the Group's principal auditors, KPMG.

## 核數師之酬金 (續)

本集團之主要核數師畢馬威會計師事務所及其關連機構所提供之服務而獲支付之費用如下：

		2006 HK\$	2005 HK\$
法定審核	Statutory audit	1,918,000	1,668,000
非審核服務	Non-audit services	554,000	320,000
總數	Total	<u>2,472,000</u>	<u>1,988,000</u>

## Auditors' Remuneration (continued)

The remuneration paid to the Group's principal auditor, KPMG, and its affiliated firms, for services rendered is broken down as follows:

## 內部監控

董事會明白其維持足夠及健全內部監控系統的責任，並透過審核委員會，每年對該等制度之有效性進行檢討最少一次，有關檢討涵蓋所有重大監控、財務、營運及遵例監控，以及風險管理工作。檢討該等內部監控制度之有效性時所運用之程序包括與管理層共同研討由管理層辨識之風險範疇。本公司之內部監控制度旨在提供合理（但非絕對保證）保證營運制度不會出現重大錯誤或損失，以及管理（而非消除）營運系統失責之風險，藉以協助本公司達致目標。

## Internal Control

The Board recognises its responsibility for maintaining an adequate and sound internal control system and through the Audit Committee, conducts reviews on the effectiveness of these systems at least annually, covering all material controls, financial, operational and compliance controls and risk management functions. The process used in reviewing the effectiveness of these internal control systems includes discussion with management on risk areas identified by management. The purpose of the Company's internal control is to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so that the Company's objectives can be achieved.