

Corporate Governance Report

企業管治報告

Paul Y. Engineering Group Limited (the "Company", together with its subsidiaries, the "Group") is committed to maintaining high standards of corporate governance as we believe that good corporate governance practices and procedures enhance transparency and improve shareholder value.

The corporate governance principles of the Company emphasise an effective board ("Board") of directors ("Directors") of the Company, sound internal control and transparency to all shareholders.

The Company has complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31 March 2006.

Board of Directors

Role

The Board is responsible for overseeing the Company's strategic direction and the controls applied to its activities, ensuring that management has the appropriate processes for risk assessment, management, and internal control over the Company's day-to-day affairs in place.

The Board has delegated all the day-to-day operation and management of the Company's business to the management, and focus its attention on matters affecting the Company's overall strategic policies, finances and shareholders including financial reporting and control, major financial arrangement, and recommendation and declaration of dividend.

Composition

The Board has a balanced composition of Executive and Non-Executive Directors to ensure the inclusion of independent viewpoints in all discussions. The Board currently comprises seven Directors, including three Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. Details of composition of the Board are set out on page 127 of this annual report. Biographical information of all the Directors are set out on pages 20 to 23 of this annual report.

More than one-third of the Board is made up of Independent Non-Executive Directors, one of whom has appropriate professional qualifications, or accounting or related financial management expertise, as required by the Listing Rules.

保華建業集團有限公司(「本公司」)連同其附屬公司統稱「本集團」致力維持高水平之企業管治，蓋因集團相信良好企業管治常規及過程可加強透明度及提升股東價值。

本公司之企業管治原則強調有效之本公司董事(「董事」)局(「董事局」)穩定之內部監控及對全體股東之透明度。

本公司於二零零六年三月三十一日止年度，全年均已遵守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《企業管治常規守則》之所有守則條文及(如適用)建議最佳常規。

董事局

角色

董事局負責監查本公司之策略方向及對業務活動之控制，確保管理層已為風險作評估，本公司日常事務之管理及內部控制採取適當程序。

董事局已將本公司業務之一切日常營運及管理工轉授管理層負責，並專注影響本公司全盤策略目標、財政及股東之事宜，包括財務匯報及控制、重大財務安排以及推薦及宣派股息。

組成

董事局中執行董事及非執行董事之組合保持均衡，確保所有討論具備獨立觀點。董事局現由七位董事組成(包括三位執行董事、一位非執行董事及三位獨立非執行董事)。董事局組成的詳情載於本年報第127頁。董事履歷簡介載於本年報第20至23頁。

董事局中超過三份一為獨立非執行董事，而其中一位擁有上市規則所規定之合適專業資歷或會計或相關財務管理專長。

Chairman and Chief Executive Officer/Managing Director

The positions of the Chairman and the Chief Executive Officer/Managing Director of the Company are held by separate individuals, with segregated duties to ensure a balance of power and authority. The division of responsibilities between the Chairman and Chief Executive Officer/Managing Director are clearly established and set out in writing.

The Chairman of the Company is Ir James Chiu. Ir Chiu became Chairman of the Company with effect from 17 March 2006 to fill the vacancy caused by the resignation of Ir Ronald James Blake. The Chairman of the Company is an Independent Non-Executive Director. His role is to oversee the Company's strategic direction and controls applied to its activities. The Chairman provides leadership for the Board and ensures that the Company establishes sound corporate governance practices and procedures and he encourages all Directors to make a full and active contribution to the affairs of the Board. With the assistance of the Company Secretary, he is responsible for approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by Directors for inclusion in the agenda. With the support of the Executive Directors and the Company Secretary, the Chairman is also responsible for ensuring that all Directors are properly briefed on issues arising at Board meetings and that they receive adequate, complete and reliable information in a timely manner.

The Chief Executive Officer of the Company is Mr Mok Yat Fan, Edmond. Mr Mok was appointed as Executive Director & Chief Executive Officer of the Company with effect from 1 June 2006, to fill the vacancy caused by the resignation of the former Managing Director of the Company, Ir Wong Wing Hoo, Billy. The Chief Executive Officer/Managing Director is responsible for the overall performance of the Company and play a leading role in delivering a growth strategy. He provides leadership for the management and oversees the implementation of the Company's objectives set by the Board.

Non-Executive Director

The term of Non-Executive Director is the period from the date of appointment up to his retirement by rotation at least once every three years and in accordance with the Company's Bye-laws. Pursuant to the Company's Bye-laws, all Directors are subject to retirement from office by rotation at least once every three years and are eligible for re-election by shareholders.

Independent Non-Executive Director

Each of the Independent Non-Executive Directors has made an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-Executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

主席與行政總裁／董事總經理

主席與行政總裁／董事總經理之職位由不同人士擔任，各司其職，以確保權力及授權之均衡。主席與行政總裁／董事總經理分工清晰並書面列明。

本公司之主席為趙雅各先生。趙先生由二零零六年三月十七日起成為本公司之主席，填補因詹伯樂先生辭任所產生之空缺。本公司之主席為獨立非執行董事。其角色為監管本公司之業務所運用之策略方向及控制。主席領導董事會並確保本公司制定穩健之企業管治常規及程序，並鼓勵全體董事全力投入董事局事務。在公司秘書的協助下，彼負責審批各董事局會議之議程，並於有需要時就所有重要事項進行討論。在執行董事及公司秘書支持下，主席亦負責確保全體董事均適當獲悉於董事局會議上提呈之事項，並及時收到充分、完備及可靠之資訊。

本公司之行政總裁為莫一帆先生。莫先生由二零零六年六月一日起成為本公司之執行董事兼行政總裁，填補因本公司前董事總經理黃永灝先生辭任所產生之空缺。行政總裁／董事總經理負責本公司之整體表現，並在執行增長策略時擔當領導角色。彼領導管理層，並督導董事局制訂之公司發展目標之實際執行情況。

非執行董事

非執行董事之任期為由獲委任當日開始，直至其須每三年最少一次及根據本公司細則輪值退任為止。根據本公司之公司細則，所有董事均須至少每三年一次輪流退任，並可由股東膺選連任。

獨立非執行董事

各獨立非執行董事已根據上市規則第3.13條向本公司發出周年確認書。本公司認為全體獨立非執行董事符合上市規則第3.13條所載之獨立身份指引，且根據指引條款具備獨立身份。

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Meetings

The Board meets regularly and at least four times a year. Regular Board meetings are usually scheduled at the beginning of the year to give all Directors adequate time to plan their schedules to attend. Directors are provided with information on activities and developments in the Group's business on a timely basis. In addition, the Directors have full access to information on the Group and are able to seek independent professional advice whenever deemed necessary by the Directors.

Directors receive at least 14 days prior written notice of regular Board meetings and an agenda. The Board papers, including supporting analysis and relevant background information are normally sent to all Directors at least 3 days before the Board meeting. For other Board meetings, Directors are given as much notice as is reasonable and practicable in the circumstances.

The Board held eight meetings during the year ended 31 March 2006. Details of Directors' attendance at these Board meetings are set out in the following table:

會議

董事局定期開會，並每年最少舉行四次會議。董事局常會通常於年初編定，以便全體董事有充分時間撥冗出席。董事獲適時提供本集團業務之活動及發展之資料。此外，董事可取閱本集團之一切資料，並在董事認為需要時徵詢獨立專業意見。

董事於董事局常會最少14天前接獲董事局常會通知及議程。董事局文件（包括支援性質之分析及相關背景資料）通常於董事局會議最少3天前送交全體董事。至於董事局其他會議，董事亦在可行情況下接獲盡量合理之通知。

董事局於截至二零零六年三月三十一日止年度舉行八次會議。董事出席此等董事局會議之詳情載於下表：

Directors	董事	Attendance 出席次數
Independent Non-Executive Directors	獨立非執行董事	
James Chiu, OBE, JP (Chairman) (Note 1)	趙雅各, OBE, JP (主席) (附註1)	-/-
Lee Chack Fan, SBS, JP	李焯芬, SBS, JP	6/8
Iain Ferguson Bruce	Iain Ferguson Bruce	7/8
Ronald James Blake, OBE, JP (Former Chairman) (Note 2)	詹伯樂, OBE, JP (前主席) (附註2)	7/8
Non-Executive Director	非執行董事	
Lau Ko Yuen, Tom (Deputy Chairman)	劉高原 (副主席)	7/8
Executive Directors	執行董事	
Mok Yat Fan, Edmond (Chief Executive Officer) (Note 3)	莫一帆 (行政總裁) (附註3)	-/-
Kwan Chi Ping, Edgar (Chief Operating Officer) (Note 3)	關治平 (營運總裁) (附註3)	-/-
Lee Hon Chiu	李漢潮	8/8
Wong Wing Hoo, Billy, JP (Former Managing Director) (Note 4)	黃永灝, JP (前董事總經理) (附註4)	8/8

Notes:

- (1) Appointed as a Director on 17 March 2006.
- (2) Resigned as a Director on 17 March 2006.
- (3) Appointed as a Director on 1 June 2006.
- (4) Resigned as a Director on 30 April 2006.

附註：

- (1) 於二零零六年三月十七日獲委任為董事。
- (2) 於二零零六年三月十七日辭任董事。
- (3) 於二零零六年六月一日獲委任為董事。
- (4) 於二零零六年四月三十日辭任董事。

Audit Committee

Role and Function

The principal duties of the audit committee of the Company ("Audit Committee") include oversight of the Group's financial reporting system and internal control procedures, review of the Group's financial information, and review of the relationship with the external auditors of the Company. The Audit Committee also meets regularly with the Company's external auditors to discuss the audit process and accounting issues.

Composition

The Audit Committee currently comprises three Independent Non-Executive Directors, Ir James Chiu (Chairman of the Committee), Professor Lee Chack Fan and Mr Iain Ferguson Bruce.

Meetings

The Audit Committee held two meetings during the year ended 31 March 2006. Details of the attendance of each member of the Audit Committee at these meetings are set out in the following table:

Members of the Audit Committee	審核委員會成員	Attendance 出席次數
James Chiu, OBE, JP (Chairman of the Committee) (Note 1)	趙雅各, OBE, JP (委員會主席) (附註1)	-/-
Lee Chack Fan, SBS, JP	李焯芬, SBS, JP	1/2
Iain Ferguson Bruce	Iain Ferguson Bruce	2/2
Ronald James Blake, OBE, JP (Former Chairman of the Committee) (Note 2)	詹伯樂, OBE, JP (前委員會主席) (附註2)	2/2

Notes:

- (1) Appointed as the Chairman of the Committee on 17 March 2006.
- (2) Ceased to be the Chairman of the Committee on 17 March 2006.

Summary of Work

The following is a summary of the work performed by the Audit Committee during the year ended 31 March 2006:

1. Review of the annual results of the Group for the year ended 31 March 2005;
2. Review of the interim results of the Group for the six months ended 30 September 2005;
3. Review of the Group's financial reporting system and internal control system;
4. Approval of the remuneration and terms of engagement of the external auditors;
5. Recommendation to the Board on the re-appointment of the external auditors at the 2005 annual general meeting; and
6. Review of the continuing connected transactions.

審核委員會

角色及職能

本公司審核委員會(「審核委員會」)之主要職責包括督導本集團之財務匯報系統及內部監控程序、檢討本集團之財務資料、並檢討與本公司外聘核數師之關係。審核委員會亦與本公司之外聘核數師定期會晤,以商討審核過程及會計事項。

組成

審核委員會現時由三位獨立非執行董事趙雅各先生(委員會主席)、李焯芬教授及Iain Ferguson Bruce先生組成。

會議

審核委員會於截至二零零六年三月三十一日止年度曾舉行兩次會議,審核委員會成員出席該等會議之詳情載於下表:

附註:

- (1) 於二零零六年三月十七日獲委任為委員會主席。
- (2) 於二零零六年三月十七日離任委員會主席。

工作概要

審核委員會於截至二零零六年三月三十一日止年度之工作概要如下:

1. 審閱本集團截至二零零五年三月三十一日止年度之全年業績;
2. 審閱本集團截至二零零五年九月三十日止六個月之中期業績;
3. 檢討本集團之財務匯報系統及內部監控系統;
4. 審批外聘核數師之酬金及聘用條款;
5. 向董事局推薦於二零零五年股東周年大會上續聘外聘核數師;及
6. 審閱持續關連交易。

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Remuneration Committee

Role and Function

The remuneration committee of the Company ("Remuneration Committee") has been established to ensure there is a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors. The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management, and making recommendations on the manpower deployment plan.

Composition

The Remuneration Committee currently comprises Ir James Chiu (Chairman of the Committee), Mr Mok Yat Fan, Edmond and Professor Lee Chack Fan. The majority of the members of the Remuneration Committee are Independent Non-Executive Directors.

Meetings

The Remuneration Committee held two meetings during the year ended 31 March 2006. Details of the attendance of each member of the Remuneration Committee at these meetings are set out in the following table:

Members of the Remuneration Committee

James Chiu, OBE, JP (Chairman of the Committee) (Note 1)
 Mok Yat Fan, Edmond (Note 2)
 Lee Chack Fan, SBS, JP
 Ronald James Blake, OBE, JP
 (Former Chairman of the Committee) (Note 3)
 Wong Wing Hoo, Billy, JP (Note 4)

薪酬委員會成員

趙雅各, OBE, JP (委員會主席) (附註1)
 莫一帆 (附註2)
 李焯芬, SBS, JP
 詹伯樂, OBE, JP (前委員會主席) (附註3)
 黃永灝, JP (附註4)

Attendance 出席次數

-/
-/
2/2
2/2
2/2

Notes:

- (1) Appointed as the Chairman of the Committee on 17 March 2006.
- (2) Appointed as a member of the Committee on 7 July 2006.
- (3) Ceased to be the Chairman of the Committee on 17 March 2006.
- (4) Ceased to be a member of the Committee on 30 April 2006.

附註:

- (1) 於二零零六年三月十七日獲委任為委員會主席。
- (2) 於二零零六年七月七日獲委任為委員會成員。
- (3) 於二零零六年三月十七日離任委員會主席。
- (4) 於二零零六年四月三十日離任委員會成員。

Summary of Work

The following is a summary of the work performed by the Remuneration Committee during the year ended 31 March 2006:

1. Discussion on remuneration packages and salary level of employees (including Executive Directors);
2. Formulation of remuneration policy for the Group; and
3. Approval of grant of share options to Executive Directors.

工作概要

薪酬委員會於截至二零零六年三月三十一日止年度之工作概要如下:

1. 討論僱員(包括執行董事)之薪津組合及薪金水平;
2. 制定本集團之薪酬政策;及
3. 批准授出購股權予執行董事。

Remuneration Policy

The Company ensures that the remuneration offered is appropriate for the duties and in line with market practice, and pay levels must be competitive and effective in attracting, retaining and motivating employees (including Executive Directors). For Non-Executive Directors, the Company ensures that they are sufficiently but not excessively compensated for their efforts and time dedicated to the Company. No individual determines his or her own remuneration.

The remuneration of Directors are determined with reference to market competitiveness, job responsibilities, and performance of the Company and the individuals. Details of the emoluments of Directors are set out on page 81 of this annual report.

Nomination Committee

Role and Function

The nomination committee of the Company ("Nomination Committee") has been established to ensure there is a formal, considered and transparent procedure for the appointment of new Directors to the Board. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board and if necessary recommending changes. It is also responsible for identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of individuals nominated for directorships.

Composition

The Nomination Committee currently comprises Professor Lee Chack Fan (Chairman of the Committee), Mr Lau Ko Yuen, Tom and Mr Iain Ferguson Bruce. The majority of the members of the Nomination Committee are Independent Non-Executive Directors.

Meetings

The Nomination Committee held one meeting during the year ended 31 March 2006. Details of the attendance of each member of the Nomination Committee at this meeting are set out in the following table:

Members of the Nomination Committee	提名委員會成員	Attendance 出席次數
Lee Chack Fan, SBS, JP (Chairman of the Committee)	李焯芬, SBS, JP (委員會主席)	1/1
Lau Ko Yuen, Tom	劉高原	1/1
Iain Ferguson Bruce	Iain Ferguson Bruce	1/1

Summary of Work

The following is a summary of the work performed by the Nomination Committee during the year ended 31 March 2006:

1. Review of the structure, size and composition of the Board; and
2. Nomination of Ir James Chiu as Director.

薪酬政策

本公司確保所支付之薪酬符合彼等之職務，並與市場慣例保持一致；酬金水平必須具競爭力，能有效吸引、挽留及推動僱員（包括執行董事）。就非執行董事，本公司確保因應其投入本公司之精力及時間給予充裕而不過高之酬勞。概無人士自行釐定其個人薪酬。

董事之薪酬按市場競爭力、職務，及本公司及個別人士之表現釐定。董事酬金詳情載於本年報第81頁。

提名委員會

角色及職能

成立本公司提名委員會（「提名委員會」）旨在確保在委任新董事加入董事局方面有一套正式、經深思熟慮及具透明度之程序。提名委員會之主要職責包括檢討董事局之架構、規模及組成，並於必要時提出改變的建議。其亦負責物色合乎資格加入董事局之人士，及就獲提名出任董事人士之遴選作出定奪或推薦。

組成

提名委員會現時由李焯芬教授（委員會主席）、劉高原先生及Iain Ferguson Bruce先生組成。提名委員會大部份成員為獨立非執行董事。

會議

提名委員會於截至二零零六年三月三十一日止年度內曾舉行一次會議，提名委員會各成員出席該會議之詳情載於下表：

工作概要

提名委員會於截至二零零六年三月三十一日止年度之工作概要如下：

1. 檢討董事局之架構、規模及組成；及
2. 提名趙雅各先生為董事。

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Nomination Procedure

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendation to the Board on any proposed changes.

In considering the nomination of a Director, the Nomination Committee applies criteria such as professional and educational background, relevant experience, and qualification, and proposes to the Directors suitable candidates for consideration and approval.

Finance and Investment Committee

The finance and investment committee of the Company ("Finance and Investment Committee") is mainly responsible for making recommendations to the Board on matters relating to investment in assets, evaluating the budgets of all key expenditures, reviewing financial performance against forecast, and considering dividend payout.

The Finance and Investment Committee currently comprises Mr Iain Ferguson Bruce (Chairman of the Committee), Mr Mok Yat Fan, Edmond and Mr Lee Hon Chiu.

The Finance and Investment Committee held three meetings during the year ended 31 March 2006. Details of the attendance of each member of the Finance and Investment Committee at these meetings are set out in following table:

提名程序

提名委員會定期檢討董事局之架構、規模及組成(包括其技能、知識與經驗),並就任何擬議改變向董事局提供意見。

審議董事提名事宜時,提名委員會考慮專業及教育背景、相關經驗及資歷等方面,並向董事提議適合之候選人供審議及審批。

財務及投資委員會

本公司財務及投資委員會(「財務及投資委員會」)主要負責就有關資產投資向董事局提出建議、評估一切主要開支預算、審閱財政表現與預測進行比較,以及考慮派付股息。

財務及投資委員會現時由Iain Ferguson Bruce先生(委員會主席)、莫一帆先生及李漢潮先生組成。

財務及投資委員會於截至二零零六年三月三十一日止年度曾舉行三次會議,財務及投資委員會各成員出席該等會議之詳情載於下表:

Members of the Finance and Investment Committee	財務及投資委員會成員	Attendance 出席次數
Iain Ferguson Bruce (<i>Chairman of the Committee</i>)	Iain Ferguson Bruce (<i>委員會主席</i>)	3/3
Mok Yat Fan, Edmond (<i>Note 1</i>)	莫一帆 (<i>附註1</i>)	-/-
Lee Hon Chiu	李漢潮	3/3
Wong Wing Hoo, Billy, <i>JP</i> (<i>Former Chairman of the Committee</i>) (<i>Note 2</i>)	黃永灝, <i>JP</i> (<i>前委員會主席</i>) (<i>附註2</i>)	3/3

Notes:

- (1) Appointed as a member of the Committee on 7 July 2006.
- (2) Ceased to be the Chairman of the Committee on 30 April 2006.

The following is a summary of the work performed by the Finance and Investment Committee during the year ended 31 March 2006:

1. Review and evaluation of actual to budget results (including budget of all key expenditures);
2. Recommendation of the acquisition of 25% interest in Paul Y. Centre;
3. Discussion on changes in accounting policies; and
4. Consideration of the payment of 2005 final dividend and 2006 interim dividend.

附註:

- (1) 於二零零六年七月七日獲委任為委員會成員。
- (2) 於二零零六年四月三十日離任委員會主席。

財務及投資委員會於截至二零零六年三月三十一日止年度之工作概要如下:

1. 檢討及評估實際業績與預算是否相符(包括所有主要開支之預算);
2. 建議收購保華企業中心25%權益;
3. 討論會計政策之變動;及
4. 審議二零零五年末期股息及二零零六年中期股息之派付事宜。

Disclosures Committee

The disclosures committee of the Company (“Disclosures Committee”) is mainly responsible for overseeing disclosures to shareholders, the public and relevant statutory authorities, and overseeing compliance with any applicable legal requirements for disclosure.

The Disclosures Committee currently comprises Mr Iain Ferguson Bruce (Chairman of the Committee), Mr Lau Ko Yuen, Tom and Mr Lee Hon Chiu.

The Disclosures Committee held one meeting during the year ended 31 March 2006. Details of the attendance of each member of the Disclosures Committee at this meeting are set out in the following table:

Members of the Disclosures Committee	披露委員會成員	Attendance 出席次數
Iain Ferguson Bruce (<i>Chairman of the Committee</i>)	Iain Ferguson Bruce (委員會主席)	1/1
Lau Ko Yuen, Tom	劉高原	1/1
Lee Hon Chiu	李漢潮	1/1

The work of the Disclosures Committee during the year ended 31 March 2006 includes the review of content of announcements relating to final results of the Company for the year ended 31 March 2005 and interim results of the Company for the six months ended 30 September 2005.

Executive Committee

The current members of the executive committee of the Company (“Executive Committee”) are Mr Mok Yat Fan, Edmond (Chairman of the Committee), Ir Kwan Chi Ping, Edgar and Mr Lee Hon Chiu.

The Executive Committee is mainly responsible for handling the management and operation of the day-to-day business of the Group.

Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the year ended 31 March 2006.

披露委員會

本公司披露委員會(「披露委員會」)主要負責監督向股東、公眾及相關法定機構作出之披露,亦監管確保遵守任何有關披露之適用法例規定。

披露委員會現時由Iain Ferguson Bruce先生(委員會主席)、劉高原先生及李漢潮先生組成。

披露委員會於截至二零零六年三月三十一日止年度曾舉行一次會議,披露委員會各成員出席該會議之詳情載於下表:

披露委員會於截至二零零六年三月三十一日止年度之工作包括審閱本公司於截至二零零五年三月三十一日止年度之全年業績及本公司截至二零零五年九月三十日止年度之中期業績。

執行委員會

本公司執行委員會(「執行委員會」)之現任成員為莫一帆先生(委員會主席)、關治平先生及李漢潮先生。

執行委員會主要負責處理本集團日常業務之管理及營運。

標準守則

本公司已採納上市規則附錄十所載上市發行人進行證券買賣之標準守則(「標準守則」),作為有關董事進行證券交易之操守守則。

本公司作出具體查詢後,全體董事已經確認,彼等於截至二零零六年三月三十一日止年度內均有遵守標準守則規定之準則。

Corporate Governance Report

企業管治報告

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the Accounts Department, which is under the supervision of the Qualified Accountant of the Company, the Directors ensure that the financial statements of the Group are prepared on a going concern basis and in accordance with statutory requirements and applicable financial reporting standards. The Directors also ensure that the publication of the financial statements of the Group is made in a timely manner.

The statement by the external auditors of the Company regarding their reporting responsibilities of the financial statements of the Group is set out in the Auditors' Report on pages 48 and 49 of this annual report.

External Auditors

For the year ended 31 March 2006, the amount of audit fees payable to the auditors of the Company, Deloitte Touche Tohmatsu, is approximately HK\$2,732,000 while the total amounts of non-audit service fees paid to the auditors of the Company for the tax advisory, consultancy, and other reporting services are approximately HK\$300,000.

Internal Control and Risk Management

The Board has overall responsibilities for maintaining and reviewing the system of internal controls of the Group and has ensured that the Group has in place appropriate internal control and approval procedures. Management is responsible for the design and implementation of appropriate internal control systems.

Systems and procedures are in place for each division of the Group to identify, measure, manage, and control risks. Procedures are revised from time to time to reflect new or changing risks. Exposure to new or changing risks or operational deficiencies is closely monitored by the Executive Directors and division heads.

Investor Relations and Shareholders' Rights

The Company has established different communication channels with shareholders and investors, including (i) printed copies of corporate documents (including but not limited to annual report, interim report, circular, announcement, media release and notice of shareholders' meeting), (ii) general meetings for shareholders to raise comments and exchange views with the Board; and (iii) the Company's share registrars deal with shareholders for share registration.

Shareholders are encouraged to attend all general meetings of the Company. The Chairman of the Company, Directors, and external auditors are available to answer questions on the Group's businesses at the general meetings.

In order to enable the general meetings to be conducted in a transparent manner, at the 2005 annual general meeting of the Company, the chairman of the meeting exercised his right under the Company's Bye-laws to put each resolution to a vote by way of a poll. Representatives of the share registrars of the Company were appointed to monitor and count the poll votes cast. All resolutions put to shareholders at the 2005 annual general meeting passed. The poll results were published in newspaper and website of the Stock Exchange.

董事對財務報表之責任

董事確認彼等有責任編製本集團之財務報表。在會計部門（經本公司合資格會計師監督）協助下，董事確保本集團之財務報表乃根據法定要求及適用財務報告準則，按持續經營基準編製。董事亦確保本集團準時印製其財務報表。

本公司外聘核數師就彼等對本集團之財務報表之申報責任所作聲明載於本年報第48及49頁之核數師報告書。

外聘核數師

截至二零零六年三月三十一日止年度，應付本公司核數師德勤•關黃陳方會計師行之核數費約為2,732,000港元，而就稅務顧問、諮詢及其他申報服務已付本公司核數師之非審核服務費約為300,000港元。

內部監控及風險管理

董事局有整體責任維持及檢討本集團之內部監控系統，並確保本集團已具備合適之內部監控及審批程序。管理層負責設計及實施合適之內部監控系統。

本集團各部門均有其系統及程序以識別、量度、管理及控制風險。過程不時修訂，以反映新興風險或風險變化。執行董事及部門主管會密切注視所蒙受之新出現或有變化之風險或營運缺失。

投資者關係及股東權利

本公司已建立不同渠道與股東及投資者溝通，包括(i)印製之公司刊物（包括而不限於年報、中期報告、通函、公佈、新聞稿及股東大會通告）；(ii)股東大會讓股東可向董事局提出意見及交流觀點；及(iii)本公司之股份過戶登記處處理股東之股份登記。

本公司鼓勵股東出席所有股東大會。本公司主席、董事及外聘核數師均會出席大會，回答有關本集團業務之問題。

為了讓股東大會具透明度地進行，在本公司二零零五年度股東週年大會上，大會主席根據本公司之公司細則行使其權利，要求各項決議案以點票方式進行表決。本公司股份過戶登記處之代表獲委任監票及點票。二零零五年度股東週年大會上向股東提呈之所有決議案均已獲通過，表決結果亦已於報章及聯交所網站上刊登。

Other Corporate Information

Key Corporate Dates

Events

事項

Announcement of 2006 interim results
公佈二零零六年中期業績

Closure of register of members
暫停辦理股東登記手續

Payment of 2006 interim dividend
派付二零零六年中期股息

Announcement of 2006 annual results
公佈二零零六年全年業績

2006 annual general meeting
二零零六年度股東週年大會

Closure of register of members
暫停辦理股東登記手續

Payment of 2006 final dividend
派付二零零六年末期股息

Dates

日期

13 December 2005
二零零五年十二月十三日

9 January 2006 to 11 January 2006
二零零六年一月九日至二零零六年一月十一日

13 February 2006
二零零六年二月十三日

7 July 2006
二零零六年七月七日

6 September 2006
二零零六年九月六日

18 September 2006 to 20 September 2006
二零零六年九月十八日至二零零六年九月二十日

16 October 2006
二零零六年十月十六日

Public Float Capitalisation

The public float capitalisation of the Company at 31 March 2006 and the date of this report were approximately HK\$188 million and approximately HK\$214 million respectively.

By order of the Board

公眾持股市值

本公司於二零零六年三月三十一日及本報告書日期之公眾持股市值分別約為1.88億港元及約2.14億港元。

承董事局命

Mui Ching Hung, Joanna

Company Secretary

Hong Kong, 7 July 2006

梅靜紅

公司秘書

香港·二零零六年七月七日