

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The board of directors (the “Directors”) of the Company (the “Board”) believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders’ value.

The Board has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “SEHK”). The Board considers that the Company has complied with the CG Code throughout the year ended 30 April 2006.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transaction. Having made specific enquiry with all Directors, the Board have confirmed compliance with the required standard set out in the Model Code throughout the year ended 30 April 2006.

THE BOARD OF DIRECTORS

The Board is responsible for overseeing the management of the Company’s business and affairs with the objective of enhancing shareholders’ value including setting and approving the Company’s strategic direction and other important matters such as interim and annual results, dividends, annual financial budget, business and operation plan etc., while delegating day-to-day operations of the Group to the management. Besides, each member of the Board is expected to make a full and active contribution to the Board’s affairs and ensures that the Board acts in the best interests of the Company and its shareholders as a whole.

企業管治常規守則

本公司致力於在切合實際之情況下維持高水平之企業管治，強調高透明度、問責及獨立性之原則。本公司董事會（「董事會」）相信，良好之企業管治對本公司之成功及提升股東價值至為重要。

董事會採納香港聯合交易所有限公司（「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（「守則」）之條文。董事會認為本公司於截至二零零六年四月三十日止年度內一直遵守守則。

董事之證券交易

本公司已採納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」）作為有關董事進行證券交易之行為守則。經對所有董事作出具體查詢後，董事會確認彼等於截至二零零六年四月三十日止年度內已遵守載於標準守則之標準規定。

董事會

董事會負責監督本公司之業務及事務，以增加股東價值為宗旨，包括確定及批准本公司之策略性指引及其他重要事項，如中期及年度業績、股息、年度財政預算、業務及營運計劃等。同時委派管理層負責本集團之日常營運。此外，董事會各成員預期將全力及積極地處理董事會事務，確保董事會行事符合本公司及其股東之整體最佳利益。

CORPORATE GOVERNANCE REPORT

企業管治報告



The Board currently comprises a total of 8 Directors, including 5 Executive Directors and 3 Independent Non-executive Directors, whose biographies are set out on pages 22 to 24 of this annual report.

董事會現時由合共八名董事組成，包括五名執行董事及三名獨立非執行董事。各董事之履歷載於本年報第22至24頁。

During the year, the Board had held 7 board meetings. Individual attendance of each Director, on a named basis, at the board meeting is as follows:

董事會於年內共舉行七次董事會議，各董事出席董事會會議之情況(按記名基準)如下：

Name of Director	董事姓名	No. of meeting attended	出席次數
<i>Executive Directors</i>		<i>執行董事</i>	
– Mr. Haywood Cheung (<i>Chairman</i>)	– 張德熙先生 (主席)		7/7
– Mr. Chan Hok Ching (<i>Acting Managing Director</i>) (appointed on 19 January 2006)	– 陳學貞先生 (署理董事總經理) (於二零零六年一月十九日獲委任)		4/4
– Mr. Cheung Tak Kwai, Stanley (appointed on 19 January 2006)	– 張德貴先生 (於二零零六年一月十九日獲委任)		4/4
– Mr. So Pak Kwai	– 蘇伯貴先生		7/7
– Dr. Chang Si-Chung	– 張錫強博士		4/7
– Mr. Felipe Tan (resigned on 30 April 2006)	– 陳奕輝先生 (於二零零六年四月三十日辭任)		7/7
<i>Independent Non-Executive Directors</i>		<i>獨立非執行董事</i>	
– Mr. Chan Ka Ling, Edmond	– 陳嘉齡先生		7/7
– Mr. Hong Po Kui, Martin	– 康寶駒先生		6/7
– Mr. Wong Yu Choi	– 黃裕材先生		7/7

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company had received annual confirmation of independence for the year ended 30 April 2006 from 3 Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all Independent Non-Executive Directors are independent within the definition of the Listing Rules.

Save that Mr. Haywood Cheung and Mr. Cheung Tak Kwai, Stanley are brothers of each another, none of the Directors has any relationship with the others.

CHAIRMAN AND ACTING MANAGING DIRECTOR

The roles of the Chairman and Acting Managing Director are segregated and are not exercised by the same individual. Mr. Haywood Cheung, the Chairman of the Company, is responsible for ensuring that the Board works effectively and that all important issues are discussed in a timely manner.

Mr. Chan Hok Ching, the Acting Managing Director of the Company, is responsible for the day-to-day operations and conducting regular meetings with other Executive Directors and senior management, at which operational issues and financial performance are evaluated. None of the Directors is related to the Acting Managing Director.

本公司已接獲三名獨立非執行董事根據上市規則第3.13條所發出截至二零零六年四月三十日止年度之年度獨立性確認書。董事會已對彼等之獨立性作出評估，認為所有獨立非執行董事於上市規則之詮釋內均為獨立人士。

除張德熙先生與張德貴先生為兄弟外，其他董事之間概無關連。

主席及署理董事總經理

主席與署理董事總經理之職責分開，並非由同一人兼任。本公司主席張德熙先生主要負責確保董事會有效運作及所有重要事項均適時討論。

署理董事總經理陳學貞先生負責管理本集團之日常運作，並定期與各執行董事及高級管理層舉行會議，就營運事宜及財務表現進行評核。署理董事總經理與所有董事概無關連。



NOMINATION OF DIRECTORS

Since the full Board will be involved in the removal and appointment of directors, the Company has not established a Nomination Committee. The Board will, based on its own need, adopt criteria such as expertise, experience, integrity and commitment when selecting and appointing directors.

During the year, the Board held 1 meeting to approve the re-designation and appointment of directors. The record of individual attendance of Directors, on a named basis, at the meeting is as follows:

提名委員會

因董事會全體成員共同罷免及委任董事，故本公司未成立提名委員會。董事會根據本身需要甄選及委任董事，所考慮之條件包括專業知識、經驗、品格正直及服務精神。

董事會於年內舉行了一次批准董事重選及委任之會議，各董事之具體出席情況以列名形式載列如下：

Name of Director	董事姓名	No. of meeting attended
		出席次數
<i>Executive Directors</i>		
<i>執行董事</i>		
– Mr. Haywood Cheung (<i>Chairman</i>)	– 張德熙先生 (主席)	1/1
– Mr. Chan Hok Ching (<i>Acting Managing Director</i>) (appointed on 19 January 2006)	– 陳學貞先生 (署理董事總經理) (於二零零六年一月十九日獲委任)	–
– Mr. Cheung Tak Kwai, Stanley (appointed on 19 January 2006)	– 張德貴先生 (於二零零六年一月十九日獲委任)	–
– Mr. So Pak Kwai	– 蘇伯貴先生	1/1
– Dr. Chang Si-Chung	– 張錫強博士	1/1
– Mr. Felipe Tan (resigned on 30 April 2006)	– 陳奕輝先生 (於二零零六年四月三十日辭任)	1/1
<i>Independent Non-Executive Directors</i>		
<i>獨立非執行董事</i>		
– Mr. Chan Ka Ling, Edmond	– 陳嘉齡先生	1/1
– Mr. Hong Po Kui, Martin	– 康寶駒先生	1/1
– Mr. Wong Yu Choi	– 黃裕材先生	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee (including all Independent Non-executive Directors) is responsible for annually reviewing the existing remuneration policy.

The role and function of Remuneration Committee are to formulate and review the annual remuneration policy of the Company and then recommend to the Board and to determine the specific remuneration packages of the Executive Directors and the senior management. The objective of the remuneration policy is to attract, retain, and motivate a high calibre team which is essential to the success of the Group.

During the year, the Remuneration Committee had held 2 meetings. Members of the Remuneration Committee and the attendance of each member are as follows:

薪酬委員會

薪酬委員會(包括所有獨立非執行董事)負責每年檢討現有薪酬政策。

薪酬委員會之職能為制訂並檢討本公司之年度薪酬政策，並向董事會建議及釐定執行董事與高級管理層成員之具體薪酬。薪酬政策之目標乃吸引、挽留及激勵對本集團之成功至關重要之高質素團隊。

薪酬委員會於年內共舉行兩次會議。薪酬委員會成員及各成員之具體出席情況如下：

Name of committee member	委員會成員姓名	No. of meeting attended 出席次數
– Mr. Chan Ka Ling, Edmond (<i>Chairman</i>)	– 陳嘉齡先生 (<i>主席</i>)	2/2
– Mr. Hong Po Kui, Martin	– 康寶駒先生	2/2
– Mr. Wong Yu Choi	– 黃裕材先生	2/2

AUDIT COMMITTEE

The Audit Committee (including all Independent Non-executive Directors) had not involved in the day-to-day management of the Company. The duties of Audit Committee are as follows:

- making recommendations on the appointment, re-appointment and removal of external auditors and considering the terms of such appointment;
- developing and implementing policies on the engagement of external auditors for non-audit services;

審核委員會

審核委員會(包括所有獨立非執行董事)不參予本公司之日常管理工作。審核委員會之職責如下：

- 就外聘核數師之委任、重新委任及罷免提供建議、考慮外聘核數師之聘用條款；
- 就外聘核數師提供非審核服務制訂政策，並予以執行；

CORPORATE GOVERNANCE REPORT

企業管治報告



- monitoring the integrity of the financial statements, annual and interim reports and the auditors' report to ensure that the information presents a true and balanced assessment of the Group's financial position;
 - ensuring that management has fulfilled its duty to maintain an effective internal control system.
- 監察財務報告、年報、中期報告及核數師報告之完整性，以確保該等資料真實及平衡地評核本集團之財務狀況；
 - 確保管理層已履行其職責，建立有效之內部監控制度。

During the year, the Audit Committee had held 1 meeting with external auditors to discuss any areas of concerns during the audits and approve the audited financial statements and 1 meeting to approve the interim financial statements respectively. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards. Members of the Audit Committee and the attendance of each member are as follows:

於本年度內，審核委員會聯同外聘核數師召開了一次會議，商討於審核其間值得注意之事項以及審批經審核財務報告，並召開了另一次會議審批中期財務報告。審核委員會不僅專注於會計政策及慣例變動之影響，同時亦側重符合會計準則。審核委員會成員及各成員之具體出席情況如下：

Name of committee member	委員會成員姓名	No. of meeting attended	出席次數
– Mr. Chan Ka Ling, Edmond (<i>Chairman</i>)	– 陳嘉齡先生 (主席)		2/2
– Mr. Hong Po Kui, Martin	– 康寶駒先生		2/2
– Mr. Wong Yu Choi	– 黃裕材先生		2/2

OPERATIONAL COMMITTEE

Apart from the Remuneration Committee (details as disclosed under the section headed "Remuneration Committee") and Audit Committee (details as disclosed under the section headed "Audit Committee"), the Board had also established an Operational Committee with specific terms of reference. The Operational Committee (comprising 4 Executive Directors namely Mr. Haywood Cheung, Mr. Chan Hok Ching, Mr. Cheung Tak Kwai, Stanley and Mr. So Pak Kwai) is responsible for making policy and discussing issues relating to the Company's day-to-day management and business.

營運委員會

除薪酬委員會 (詳情於「薪酬委員會」一節披露) 及審核委員會 (詳情於「審核委員會」一節披露) 外，董事會亦設立營運委員會並設定其具體職權範圍。營運委員會 (由四名執行董事組成，即張德熙先生、陳學貞先生、張德貴先生及蘇伯貴先生) 負責制訂政策並討論有關本公司日常管理及業務之事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Operational Committee should report back to the Board on its decisions or recommendations pursuant to its terms of reference.

營運委員會須根據其具體職責向董事會報告其決定或推薦建議。

FINANCIAL REPORTING

The Board, with the support of the Group's finance department led by the Financial Controller, is responsible for keeping proper accounting records and the preparation of the financial statements of the Company and the Group. In preparing the financial statements, the Hong Kong Financial Reporting Standards have been adopted and the financial statements comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been applied consistently.

財務報告

董事會在由財務總監領導下之會計部門協助下，負責保存妥善的會計記錄及編製本公司與本集團之財務報告。於編製財務報告時，已採納香港財務報告準則並貫徹應用合適之會計政策。財務報告符合香港會計師公會頒佈之會計政策。

The Board acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements, and announcements to shareholders.

董事會確認有責任編製各財政年度之財務報告以真實及公平地反映本集團之財務狀況，並向股東提呈中期及全年財務報告及公佈。

The reporting responsibilities of Directors and external auditors are further set out in the Report of the Auditors on page 30.

董事及外聘核數師之申報責任於第30頁之核數師報告作進一步詳述。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the effectiveness of the Group's internal control systems. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss. The effectiveness of the internal control system was discussed on an annual basis with the Audit Committee.

內部控制及風險管理

董事會對本集團內部控制制度之有效性負上責任。內部控制制度之目的在於符合本集團之特定需要及應付集團面對之風險。該制度本質上僅就失實陳述或損失提供合理而非絕對之保證。本公司每年與審核委員會討論內部控制制度之成效。

CORPORATE GOVERNANCE REPORT

企業管治報告



Procedures have been set up for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. Qualified management throughout the Group maintains and monitors the internal control systems on an ongoing basis.

本集團已制訂程序，防止未經授權使用或處置資產、控制資本開支、妥善保存會計記錄及確保業務或公佈所用財務資料之可靠性。本集團內之高質素管理層持續維護並監管內部控制制度。

AUDITORS' REMUNERATION

For the year ended 30 April 2006, fees paid to the auditors of the Company for audit service was HK\$1,060,000 and no fee was payable for other non-audit services.

核數師酬金

截至二零零六年四月三十日止年度已付本公司核數師之核數服務費為1,060,000港元，其他非核數服務並未支付服務費。

ON BEHALF OF THE BOARD

Haywood Cheung

Chairman

Hong Kong, 25 August 2006

代表董事會

主席

張德熙

香港，二零零六年八月二十五日