

企業管治報告書

CORPORATE GOVERNANCE REPORT

Good corporate governance practices are crucial to enhancing shareholder value. With this in mind, the Directors of the Company are keen on maintaining high standards of corporate governance. This is reflected in terms of a quality Board of Directors and the emphasis on transparency and accountability. Throughout the year ended 31 March 2007, the Company has complied with all the Code Provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“Listing Rules”), except for the deviations set out below in respect of which remedial steps for compliance have been taken or considered reasons are given below.

The Company acknowledges the important role of its Board of Directors (“Board”) in providing effective leadership and direction to the Group’s businesses, and ensuring transparency and accountability of business operations.

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

1. The Board

1.1 The Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group’s businesses, and assumes responsibility for strategy formulation, corporate governance and performance monitoring. It develops and reviews the Group’s strategies and policies, formulates business plans and evaluates performance of the operating divisions against agreed budgets and targets through regular discussion on key and appropriate issues in a timely manner. It also exercises a number of reserved powers, including: approval of annual and interim results and significant changes in accounting policy or capital structure, internal control system, material transactions (in particular those which may involve conflict of interests), major capital projects, setting Group remuneration policy, dividend policy, appointment of Directors, supervision of management and other significant financial and operational matters.

優良企業管治的推行，對提高股東的價值是很重要的。因此，本公司的董事均致力確保優質企業管治的水平，從強調要有一個高質素的董事會，重視透明度及問責性中，可反映出來。除以下提及的偏離外(已對該等偏離作出補救步驟或在下文闡述經考慮後繼續偏離的理由)，於截至二零零七年三月三十一日止年度裡，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」)企業管治常規守則的所有守則條文。

本公司明白其董事會(「董事會」)能有效地領導及指導本集團業務，以及確保業務經營的透明度及問責性是重要的。

本公司主要的企業管治原則及常規簡述如下：

1. 董事會

1.1 董事會及管理層

董事會負責領導及監控本公司，以及監督本集團的業務；亦負責制定策略、企業管治及監察表現；發展及檢視本集團的策略和政策；規劃業務發展計劃；透過適時及定期討論重大及合適事項檢測各營運部門能否達到預期的預算及目標。董事會亦保留一定權力，包括批准本公司全年及中期業績、會計政策或資本架構的重大變更、內部監控系統、重大交易(尤其是有利益衝突的交易)及主要資本項目；擬定本集團薪酬政策、股息政策；聘請董事、監管管理層；及處理其他重要的財政和營運事項。

企業管治報告書 CORPORATE GOVERNANCE REPORT

The day-to-day management, administration and operation of the Company are delegated to the Managing Director and the senior management, who fulfill their duties within their scope of authority and responsibility. Divisional heads are responsible for different aspects of the businesses. Major functions delegated to management include preparation of annual and interim results, execution of business strategies and initiatives adopted by the Board, implementation of an adequate internal control system and compliance with the relevant statutory requirements.

All Directors are kept informed of major changes that may affect the Group's businesses on a timely basis, and can avail themselves of the advice and services of the Company Secretary so that Board procedures and all applicable rules and regulations are followed. Each Director can have recourse to independent professional advice in performing their duties at the Company's expense, upon making request to the Board.

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

1.2 Board 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 biographies of the Directors (and their relationships, if any) are set out on pages 59 to 62 of this annual report, which demonstrates a diversity of skills, expertise, experience and qualifications. There is no relationship between the Chairman and the Managing Director. During the year ended 31 March 2007, the Board at all times

本公司日常的管理、行政及營運事宜皆授權本公司的董事總經理及高級管理層負責，他們在自己之權力及責任範圍內，執行職務。部門主管負責處理各樣業務。管理層獲轉授的主要工作包括籌備全年及中期業績；執行董事會採納的業務策略及提議；推行完備的內部監控制度；及遵守一切的有關法規。

所有董事均會適時知悉影響本集團業務的重大變更，他們亦能得到公司秘書的意見及服務，使董事會程序及所有適當的規條及條例，均獲得遵守。每位董事亦能向董事會要求撥發資源，在執行他們的職務時，獲得獨立專業的意見，一切費用均由本公司支付。

本公司已就董事及高級管理人員因公司業務而可能會面對的法律行動，為董事及高級人員作出合適的投保安排。

1.2 董事會之組成

董事會之組成反映了董事會有足夠的能力及經驗有效地領導本公司，亦能作出獨立的決定。董事的履歷（及他們的關係，如有）已載於本年報的第59至第62頁，顯示他們擁有多樣的才能、專業、經驗及資格。主席與董事總經理並沒有任何關係。於截至二零零七年三月三十一日止年度，董事會任何



企業管治報告書 CORPORATE GOVERNANCE REPORT

met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors. One of the independent non-executive directors, Dr. Lau Tze Yiu, Peter possesses the appropriate professional qualifications and accounting or related financial management expertise.

The Board of Directors of the Company comprises the following Directors:

Executive Directors:

Mr. Wong Sue Toa, Stewart (Managing Director)
Mr. Tai Sai Ho (General Manager)
Dr. Lam Chat Yu
Mr. Shen Tai Hing

Non-executive Directors:

Mr. Cha Mou Sing, Payson (Chairman)
Mr. Cha Mou Daid, Johnson
Mr. Cha Yiu Chung, Benjamin

Independent non-executive Directors:

Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun

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.

Coming from diverse business and professional backgrounds, the non-executive Directors and independent non-executive Directors bring a wealth of expertise and experiences to the Board, which contributes to the success of the Group. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all of them make various contributions to the effective direction of the Company.

時候亦能按照上市規則的規定，聘請至少三位獨立非執行董事。其中一位獨立非執行董事劉子耀博士具備適當的專業資格，及會計或相關的財務管理專長。

本公司董事會包括以下董事：

執行董事：

王世濤先生(董事總經理)
戴世豪先生(總經理)
林澤宇博士
沈大馨先生

非執行董事：

查懋聲先生(主席)
查懋德先生
查耀中先生

獨立非執行董事：

陳伯佐先生
劉子耀博士
孫大倫博士

本公司任何時候亦依據上市規則，在所有本公司發出的公司通訊內披露董事會成員(按類別劃分)。

由於非執行董事及獨立非執行董事擁有不同業務及專業背景，為董事會帶來豐富的專業知識及經驗，令本集團發展更為成功。藉著主動參與董事會會議，在出現潛在利益衝突時，發揮牽頭引導作用管理事宜，以及出任董事委員會成員，他們實為本公司未來發展方向帶來多種的貢獻。

企業管治報告書 CORPORATE GOVERNANCE REPORT

All independent non-executive Directors are free from any business or other relationships with the Company. The Company has received written annual confirmation of independence from each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules. The Company has assessed their independence and concluded that all independent non-executive Directors are independent within the meaning of the Listing Rules.

1.3 Appointment and Re-election of Directors

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and the independent non-executive Directors of the Company are not appointed for a specific term. Pursuant to the Articles of Association of the Company amended on 2 August 2005, at each annual general meeting of the Company, one-third of the Directors, including executive, non-executive and independent non-executive Directors shall retire from office by rotation, and every Director shall be subject to retirement at least once every three years. As such, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the CG Code.

The Company does not have a nomination committee. The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors and assessing the independence of independent non-executive Directors.

所有的獨立非執行董事並沒有參與本公司的業務或與本公司有任何其他關係。按照上市規則第3.13條，本公司已收到每位獨立非執行董事之年度獨立性書面確認書。本公司已評估彼等之獨立性，認為全體獨立非執行董事均符合上市規則所釋義之獨立性。

1.3 董事之委任及重選

守則第A.4.1條規定非執行董事的委任須有指定任期，並須接受重選。本公司之非執行及獨立非執行董事並無指定任期。但是根據本公司於二零零五年八月二日通過修改之組織章程細則，於每屆股東週年大會上，當時在任之三分之一董事，包括執行董事、非執行董事及獨立非執行董事須輪席告退，及每名董事須最少三年退任一次。因此本公司認為已有足夠的措施使本公司企業管治常規不比企業管治常規守則的標準寬鬆。

本公司並沒有提名委員會。董事會全面負責檢視董事會的架構，以及發展和制定有關提名及委任董事的程序，及檢討獨立非執行董事的獨立性。



企業管治報告書 CORPORATE GOVERNANCE REPORT

Where vacancies on the Board exist, the Board will identify suitable individuals by making reference to criteria including 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. New Directors are sought mainly through referrals or internal promotion.

The Company's circular dated 16 July 2007 contains detailed information of the Directors standing for re-election at the forthcoming Annual General Meeting of the Company.

1.4 Board Proceedings

The Board held five meetings during the year ended 31 March 2007 and the principal businesses transacted include:—

- Assessing business performance and comparing performance with plans and budgets;
- Approving interim and final results and reports;
- Approving business acquisition and property transactions;
- Determining payment of dividend;
- Adopting the terms of reference of the two board committees for handling general business and acquisition/disposal of property respectively; and
- Considering the continuing connected transactions with HKR International Limited ("HKRI") and its subsidiaries for the three years ending 31 March 2010 ("Continuing Connected Transactions") and authorising the General Business Committee to deal with all matters in connection therewith.

當董事會有空缺，董事會將另覓適當人選，依據建議候選人的才能、經驗、專業知識、個人誠信、願意付出的時間、本公司的需要及有關法規和規例作決定。新董事主要以轉介或內部擢升方式尋覓。

本公司於二零零七年七月十六日之通函內，載有於下次本公司股東週年大會中膺選連任董事的詳細資料。

1.4 董事會的議程

截至二零零七年三月三十一日止年度，董事會共開了五次會，主要處理事項如下：

- 檢討業務表現，並把表現與計劃和預算作比較；
- 批准中期及年終業績和報告；
- 確認重要收購及物業交易；
- 決定股息之派發；
- 分別採納負責處理一般事務及物業收購／出售之兩個董事委員會的職權範圍；及
- 考慮香港興業國際集團有限公司（「興業國際」）及其附屬公司於截至二零一零年三月三十一日止三個年度的持續關連交易（「持續關連交易」）及授權一般事務委員會處理所有有關事宜。

企業管治報告書 CORPORATE GOVERNANCE REPORT

The individual attendance record of each Director at the meetings of the Board, Remuneration Committee and Audit Committee during the year ended 31 March 2007 is set out below:

以下是截至二零零七年三月三十一日止年度，個別董事出席董事會、薪酬委員會及審核委員會的出席紀錄：

Name of Directors 董事姓名		Attendance / Number of Meetings 出席次數／會議數目		
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
Mr. Cha Mou Sing, Payson (Chairman) *	查懋聲先生 (主席)*	4/5	1/2	N/A不適用
Mr. Wong Sue Toa, Stewart (Managing Director)	王世濤先生 (董事總經理)	5/5	2/2	2/2
Mr. Tai Sai Ho (General Manager)	戴世豪先生(總經理)	5/5	2/2	2/2
Mr. Cha Mou Daid, Johnson *	查懋德先生*	4/5	N/A不適用	N/A不適用
Mr. Cha Yiu Chung, Benjamin *	查耀中先生*	2/5	N/A不適用	N/A不適用
Mr. Chan Pak Joe #	陳伯佐先生#	5/5	2/2	2/2
Dr. Lam Chat Yu	林澤宇博士	3/5	N/A不適用	N/A不適用
Dr. Lau Tze Yiu, Peter #	劉子耀博士#	5/5	2/2	2/2
Mr. Shen Tai Hing	沈大馨先生	3/5	N/A不適用	N/A不適用
Dr. Sun Tai Lun #	孫大倫博士#	4/5	2/2	2/2

* Non-executive Director

Independent Non-executive Director

*非執行董事

#獨立非執行董事

Annual meeting schedules are normally made available to the Directors in advance. Notices of regular Board meetings are given to all the Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

每年召開會議的時間表通常會預先通知各董事。召開董事會定期會議之通知於會議召開前不少於十四天前發出，至於召開其他董事會及委員會會議，亦發出合理通知。

Board papers together with all appropriate, complete and reliable information are sent to all the Directors at least 3 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 Directors receive a regular supply of information about the business activities, financial highlights and operations review so that they are well informed prior to participation in Board meetings.

董事會會議文件及適當、完整及可靠的資料，於董事會或委員會會議舉行不少於三天前送交給各董事，以令董事知悉公司最新的發展及財政情況，使其能夠在掌握有關資料的情況下作出決定。董事會和每位董事在有需要的時候，均有自行接觸高級管理人員的獨立途徑。各董事定期收到有關業務活動、財務紀要及業務回顧的資料，以讓他們能於參與董事會前，已掌握公司的資料。

企業管治報告書 CORPORATE GOVERNANCE REPORT

The Financial Controller attended 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.

According to current Board practice, any transaction with a material amount will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association 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 (as defined in the Listing Rules) have a material interest.

1.5 Model Code for 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 the guideline for securities transactions by Directors and employees who are likely to be in possession of unpublished price-sensitive information of the Company.

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 31 March 2007. No incident of non-compliance of the Model Code by the employees was noted by the Company.

公司的財務總監參與所有定期董事會會議，在有需要的時候，亦會參與其他董事會及委員會會議，以就業務的發展、財務及會計事項、法規的執行、企業管治及公司重要事宜作出提議。

根據現時董事會的常規，凡有重大金額的交易，都會適時召開董事會會議，以作決議。根據公司組織章程細則，若董事或其任何聯繫人(定義見上市規則)在議決交易事項中有重大利益，有關董事必須放棄表決，且不得計入該會議出席的法定人數。

1.5 證券交易的標準守則

本公司已採納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」)作為有關董事及僱員(擁有未公開股價敏感資料的僱員)進行證券交易的操守準則。

經向全體董事作出具體查詢後，董事確認，彼等於二零零七年三月三十一日止年度內均已遵守標準守則之規定。本公司並沒有察覺任何僱員有違反標準守則之事。

企業管治報告書 CORPORATE GOVERNANCE REPORT

2. Chairman and Managing Director

The positions of the Chairman and Managing Director are held by Mr. Cha Mou Sing, Payson and Mr. Wong Sue Toa, Stewart respectively. Code Provision A.2.1 of the CG Code stipulates that the division of responsibilities between the Chairman and Managing Director should be set out in writing. Although the respective responsibilities of the Chairman and Managing Director are not set out in writing, power and authority are not concentrated in one individual and all major decisions are made in consultation with members of the Board and appropriate Board committees, as well as senior management. The Board is considering to set out in writing the roles and duties of the Chairman and the Managing Director in due course.

The Chairman provides leadership for the effective functioning of the Board in the overall strategic planning and development of the Group. With the support of the Managing Director and senior management, the Chairman is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The Managing Director focuses on implementing objectives, policies and strategies approved by the Board. He is in charge of the Company's day-to-day management and operations. The Managing Director is also responsible for formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

3. Remuneration Committee

The Company set up the Remuneration Committee in December 2004 which replaced the Bonus Committee established in December 2001. Membership of the Remuneration Committee is as follows:—

Mr. Cha Mou Sing, Payson
(Remuneration Committee Chairman)
Mr. Wong Sue Toa, Stewart
Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun

2. 主席與董事總經理

本集團的主席及董事總經理分別由查懋聲先生及王世濤先生擔任。企業管治常規守則第A.2.1規定，主席及董事總經理的職責的分工需以書面列明。儘管並無書面列明主席及董事總經理之職責範圍，但是權力及職權並沒有集中於同一個人身上，而所有重要的決策均會諮詢董事會成員、相關的董事委員會及高級管理層。董事會正考慮在適當時間以書面列明主席及董事總經理的職務及職責。

對於本集團全面的策略規劃及發展，董事會在主席領導下能夠有效地運作。在董事總經理及高級管理人員的支持下，主席確定董事適時收到足夠、完整及可靠的資料，以及獲得在董事會會議上所討論事項的適當簡報。

董事總經理著重執行經董事會批准的目標、政策及策略。他負責本公司日常的管理及營運，同時亦負責擬定公司的組織結構、監控系統及內部的程序和步驟，以提呈董事會批准。

3. 薪酬委員會

本公司於二零零四年十二月成立薪酬委員會，以取代於二零零一年十二月成立的花紅委員會。薪酬委員會的成員如下：

查懋聲先生
(薪酬委員會主席)
王世濤先生
陳伯佐先生
劉子耀博士
孫太倫博士

企業管治報告書 CORPORATE GOVERNANCE REPORT

The primary responsibilities of the Remuneration Committee include formulating remuneration policy and practices and determining the remuneration packages of the executive Directors and the senior management and performance-based remuneration. The Remuneration Committee is also responsible for ensuring that no Director or any of his associates (as defined in the Listing Rules) will participate in deciding his own remuneration. The committee shall consult the Chairman and the Managing Director of the Company about its recommendations on remuneration policy and remuneration packages.

In determining the remuneration, the Remuneration Committee reviewed background information such as key economic indicators, market / sector trend, headcount and staff costs.

The Remuneration Committee met twice during the year ended 31 March 2007 and performed the following works:—

- Reviewing and determining the specific percentage of salary increment for the executive Directors and senior management and the general percentage of salary increment for other employees of the Group for the year commencing 1 April 2007; and
- Approving the maximum bonus pool and the actual bonus amount to be distributed to the executive Directors, senior management and other employees of the Group for the year ended 31 March 2006.

The attendance record of individual committee members is set out on page 44 of this annual report.

薪酬委員會主要負責擬定薪酬政策及常規，及釐訂執行董事和高級管理人員的薪酬待遇，同時決定按表現釐訂的薪酬。薪酬委員會亦負責確保並沒有董事或與其任何聯繫人（定義見上市規則）參與討論其本身薪酬數目之決定。委員會需向主席及董事總經理諮詢有關薪酬政策和薪酬待遇之建議。

薪酬委員會參考一些背景資料，如主要經濟指標、市場／行業的趨勢、總員工數目及員工成本，以釐訂薪酬。

截至二零零七年三月三十一日止年度，薪酬委員會共開了兩次會，主要處理事項如下：

- 檢討和釐訂於二零零七年四月一日起執行董事和高級管理人員之特定薪金升幅及本集團其他僱員薪金的一般升幅；及
- 決定最高的花紅儲備，及截至二零零六年三月三十一日止年度，分配給執行董事、高級管理人員和其他僱員的實質花紅款額。

個別委員會成員的出席紀錄載於本年報第44頁。

企業管治報告書 CORPORATE GOVERNANCE REPORT

4. Audit Committee

The Audit Committee of the Company has been established since December 2001. Membership of the Audit Committee is as follows:—

Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun (Audit Committee Chairman)

None of the members of the Audit Committee is a partner or former partner of Deloitte Touche Tohmatsu, the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board;
- To make recommendation to the Board on the appointment, re-appointment and removal of external auditors, to approve their remuneration and terms of engagement and to review and monitor the external auditors' independence and objectivity;
- To review the adequacy and effectiveness of the Group's financial reporting system, internal control system and risk management system and associated procedures; and
- To review the Group's operating, financial and accounting policies and practices.

4. 審核委員會

本公司的審核委員會於二零零一年十二月成立，審核委員會成員如下：

陳伯佐先生
劉子耀博士
孫太倫博士 (審核委員會主席)

審核委員會的成員並非本公司現任外聘核數師(德勤·關黃陳方會計師行)的合伙人或前任合伙人。

審核委員會的主要工作如下：

- 審閱財務報表及報告，及在提呈董事會前，考慮合資格會計師或外聘核數師提出之重大或不尋常事項；
- 就委任、重新委任及罷免外聘核數師之事，向董事會提出建議；批核他們的薪酬及聘用條款；檢討和監察外聘核數師的獨立性和客觀性；
- 檢討本集團的財務匯報制度、內部監控系統、風險管理制度及有關程序是否足夠及其有效性；及
- 檢討本集團的營運、財務及會計政策和實務。



企業管治報告書 CORPORATE GOVERNANCE REPORT

The Audit Committee held two meetings during the year and the major works performed are as follows:—

- Reviewing and recommending for the Board's approval the financial results and reports for the year ended 31 March 2006 and for the six months ended 30 September 2006;
- Reviewing the revised 2006 accounting standards;
- Reviewing the continuing connected transactions of the Company for the year ended 31 March 2006;
- Recommending to the Board of the re-appointment of external auditors for the year ended 31 March 2007; and
- Reviewing certain aspects of the internal control system of the Group.

The attendance record of individual committee members is set out on page 44 of this annual report.

The Company's annual results for the year ended 31 March 2007 have been reviewed by the Audit Committee.

5. Other Board Committees

In addition to delegating specific responsibilities to the Remuneration Committee and the Audit Committee, the Board also established two board committees in April 2002 to handle the Company's general business and acquisition/disposal of property within a designated threshold respectively, namely the General Business Committee and the Property Acquisition/Disposal Committee. Currently, the two committees comprise all

於本年度，審核委員會共開了兩次會，主要處理事項如下：

- 檢討及建議董事會批准截至二零零六年三月三十一日止年度及截至二零零六年九月三十日止六個月的業績及報告；
- 檢討二零零六年經修訂的會計準則；
- 檢討本公司截至二零零六年三月三十一日止年度之持續關連交易；
- 向董事會提議重新委任截至二零零七年三月三十一日止年度之外聘核數師；及
- 檢討本集團內部監控系統之某些方面。

個別委員會成員的出席紀錄載於本年報第44頁。

本公司截至二零零七年三月三十一日止年度之年度業績已經審核委員會審閱。

5. 其他董事委員會

除薪酬委員會及審核委員會有特定職責外，於二零零二年四月，董事會亦成立了兩個董事委員會，分別負責處理公司一般事務及在指定限額內收購／出售物業，即一般事務委員會及收購／出售物業委員會。現時，兩個

企業管治報告書 CORPORATE GOVERNANCE REPORT

the four executive Directors of the Company. During the year ended 31 March 2007, the two committees dealt with the following matters by way of written resolutions:—

- Approving disposal of property;
- Approving transfers of shares in the capital of the Company; and
- Approving the Construction and Renovation Services Framework Agreement entered into between HKRI and the Company to govern the outline terms of the Continuing Connected Transactions.

Code Provisions D.2.1 and D.2.2 require (i) the board committees to prescribe sufficiently clear terms of reference; and (ii) the terms of reference of the board committees to report back to the Board on their decisions or recommendations. The written terms of reference for these two Board committees have been drawn up and approved at the Board meeting held on 13 September 2006. Code Provisions D.2.1 and D.2.2 have been fully complied with thereafter.

6. Responsibilities in Respect of the Financial Statements and Auditors' Remuneration

The Board is responsible for the preparation of the financial statements. In preparing the financial statements, Hong Kong Financial Reporting Standards have been adopted, appropriate accounting policies have been applied, and reasonable and prudent judgments and estimates have been made.

The reporting responsibilities of the external auditors on the financial statements of the Company are set out in the "Independent Auditor's Report" on pages 76 to 77 of this annual report.

委員會成員為本公司四位執行董事。截至二零零七年三月三十一日止年度，兩個委員會以書面決議的方式處理以下事項：—

- 批准物業之出售；
- 批准本公司股本中股份之轉讓；及
- 批准興業國際與本公司訂立之建築及裝修服務框架協議，以規管持續關連交易之大綱條款。

守則第D.2.1及D.2.2條規定：(i)需充分清楚訂明董事委員會的職權範圍；及(ii)職權範圍應規定董事委員會向董事會匯報其決定或建議。董事會已於二零零六年九月十三日召開的董事會會議上批准上述兩個董事委員會的書面職權範圍。此後守則第D.2.1及D.2.2條已獲得遵守。

6. 對財務報表之責任及核數師薪酬

董事會負責編定財務報表，在編定財務報表時，董事會已採納香港財務報告準則，及使用適當之會計政策，並已作合理和審慎的判斷及估計。

外聘核數師於本公司財務報表之報告責任，已載於本年報第76頁至第77頁的獨立核數師報告內。



企業管治報告書 CORPORATE GOVERNANCE REPORT

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 March 2007 amounted to HK\$900,000 and HK\$524,000 respectively. The non-audit service assignments include the following:—

截至二零零七年三月三十一日止年度，本公司已付予外聘核數師之薪酬分兩部分：核數服務及非核數服務，分別為港幣900,000元及港幣524,000元。非核數服務工作如下：

Nature of service 服務的性質	Fees paid 支付費用 (HK\$) (港幣)
(1) Reviewing the statement of indebtedness and cash flow forecast of the Group as at 31 October 2006 and for the period ending 30 November 2007 respectively 分別審閱本集團於二零零六年十月三十一日的債務聲明及截至二零零七年十一月三十日期間本集團現金流預測	190,000
(2) Reviewing the financial results and report for the six months ended 30 September 2006 審閱截至二零零六年九月三十日止六個月的業績及報告	200,000
(3) Reviewing certain aspects of the Group's internal control system 檢討本集團某些方面之內部監控系統	100,000
(4) Others 其他	34,000
	HK\$(港幣) 524,000元

7. Internal Controls

The Board is responsible for maintaining an adequate internal control system to facilitate effective and efficient operations, to safeguard assets, to prevent and detect fraud and error, and to ensure the quality and timely preparation of internal and external reporting and compliance with applicable laws and regulations.

The Company has maintained a tailored governance structure with clear lines of responsibility and appropriate delegation of responsibility and authority to the senior management, who are accountable for the conduct and performance of the respective business divisions under their supervision.

The Chairman, Managing Director and General Manager review monthly management reports on the financial results, statistics and project progress of each business. Monthly management meetings are held to review business performance against budgets, forecasts and risk management strategies. Any major variances are highlighted for investigation and control purposes.

7. 內部監控

董事會負責維持一個充份有效之內部監控系統，以幫助公司有效及有效率地營運、保護資產、避免及偵察欺瞞行為和錯誤；及確保籌備適時和有質素的對內及外報告，以及遵守有關法律及規例。

本公司已維持一個適當的管治架構，對職責有很清楚的界定，對高級管理人員的責任及權限亦有明確的規定，他們對各自負責監督的業務部門的經營和表現問責。

主席、董事總經理及總經理亦會審閱每月的管理層報告，包括每項業務的業績、統計及項目進度。每月亦有定期的會議，將業務表現與預算、預測及風險管理政策作出比較，並列舉所有重要的差異，以作調查及監控。

企業管治報告書 CORPORATE GOVERNANCE REPORT

A centralised cash management system is maintained to oversee the Group's investment and borrowing activities. There are established guidelines and procedures for the approval and control of expenditures. The aim is to keep the expenditure level in line with the annual budget and within the cost budget of an approved project. Expenditures are subject to overall budget control with approval levels set by reference to the level of responsibility of each manager and officer. Depending on the nature and value, procurement of certain goods and services are required to go through the tendering process. No individual in the Group, irrespective of their rank and position, are allowed to dominate the entire expenditure process from commitment to payment.

During the year under review, the Board has through the Audit Committee conducted a review of the effectiveness of certain aspects of the Group's internal control system. The result has been reported to the Audit Committee. There were no significant weaknesses and areas for improvement have been identified and appropriate measures taken.

8. Shareholder Rights and Investor Relations

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders which will call for a general meeting and will be explained during the proceedings of meetings.

Poll results will be published on the day of shareholders' meetings by posting on the websites of the Company and of the Stock Exchange.

The general meetings of the Company provide a forum for exchange of views between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit 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.

本集團維持一個中央現金管理系統，以監管本集團的投資及借貸活動。一系列的指引及程序已建立，以用作批准和控制開支，目的是讓開支的水平符合年度預算，及確保每項已經批准的工程亦能在預算成本下完成。開支受到整體預算限制，而且每位經理就其權力範圍有不同的批准權限。根據其性質及價值，購買一些產品及服務，需經投標的過程。在本集團內，沒有一個人（不論其等級及職位），被容許決定由承擔至付款的整個開支過程。

在回顧年度，董事會已通過審核委員會去檢討本集團內部監控系統某些方面是否有效，而結果亦已向審核委員會報告，當中並沒有任何重大的弱項，而需要改善的地方亦已被確認，並已採取補救的措施。

8. 股東權利及投資者關係

股東的權利及於股東大會決議時要求以投票方式表決的程序已載於本公司的組織章程細則內。有關要求以投票方式表決的權利及程序之詳情已包括在寄予股東召開股東大會的通函裡，並於會議過程中，再作講解。

以投票方式表決的結果於股東大會之後同日載於本公司及聯交所的網頁內。

本公司的股東大會為股東及董事會提供一個交流意見的平台。董事會主席及薪酬委員會和審核委員會的主席（若他們缺席，有關委員會的其他成員）以及（若合適）獨立董事會委員會主席亦會於股東大會解答問題。



企業管治報告書 CORPORATE GOVERNANCE REPORT

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. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at www.hanison.com, where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

於股東大會，每件重要事項會個別提出決議案，包括個別董事之選舉。

本公司繼續加強與投資者的溝通及聯繫，並會妥善及適時地處理投資者之查詢。

為了能加強溝通，本公司亦設立了一個網站 www.hanison.com，提供本公司的業務發展及有關營運、財務及其他資訊之詳細和最新資料。