

# Corporate Governance

## 公司管治

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

Recognising the need for making independent and objective judgement on remuneration matters of the board and senior management, the board of directors has delegated its authority to fix the remuneration package of directors and senior management of the Company and implement the share option scheme to the remuneration committee (previously known as compensation committee) which currently comprises five members, the majority of which, including the chairman, are independent non-executive directors.

To stay in line with the current corporate trend, the board of directors 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.

### Board of Directors

The board comprises nine members, three of whom are independent non-executive directors. The Company has received an annual confirmation of independence from each of the three independent non-executive directors 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 functions of the board of directors are carried out either directly or through board committees or by means of a system of delegation of authority to management personnel. To ensure the board is in a position to exercise its powers in an informed manner, all members of the board of directors have full and timely access to all relevant information and may take independent professional advice if necessary.

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所列表載的大部分守則條文，作為本公司的企業管治常規守則（「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。

鑒於有需要就董事會及高級管理層薪酬的事宜作出獨立及客觀的判斷，董事會已授權薪酬委員會釐定本公司董事及高級管理層薪酬方案及執行購股權計劃。該委員會現由五位成員組成，以獨立非執行董事（包括主席）佔多數。

為配合目前企業趨勢，董事會自二零零三年五月一日開始的財政年度起，實行公佈本公司季度財務業績。董事會希望透過實施此公佈時間表，更頻密和及時地向股東匯報有關本集團的表現，進一步促進本公司與投資者及傳媒的關係。

### 董事會

董事會由九位成員組成，其中三位是獨立非執行董事。遵照上市規則第3.13條，本公司已收到三位獨立非執行董事各自發出有關其獨立性的年度確認書，確認其獨立性。根據此等確認書的內容，本公司認為三位獨立非執行董事均為獨立。

董事會直接或透過董事委員會或以授權管理層人員的方式代為履行職務。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及時及全面提供所有相關資料，並可於有需要時諮詢獨立專業意見。

## Roles of 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. Steven Julien FENIGER (who are not related to each other) respectively.

The chairman's principal role is to provide leadership for the board and the executive committee on corporate and strategic planning and ensure proper proceedings of the board and the executive committee.

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

As an integral part of good corporate governance, the following committees have been set up:

### *Executive Committee*

The executive committee consists of all the executive directors of the Company. The board has delegated the day-to-day management and operation functions of the Company to the executive committee save to the extent that the powers and authorities are reserved to the remuneration committee or the full board. The powers and authorities reserved to the full board include the approval of the Company's financial statements, dividends, change in share capital, change of the general character or nature of the business of the Company, certain material transactions and matters involving a conflict of interest for a substantial shareholder or a director. The authorities reserved to the remuneration committee are more particularly discussed below.

### *Audit Committee*

The audit committee comprises the three independent non-executive directors of the Company as follows:

WANG Arthur Minshiang (chairman of the audit committee)  
WOON Yi Teng, Eden  
TSE Hau Yin, Aloysius (appointed on 18 May 2005)  
WONG Wai Ming (ceased to be a member of the audit committee on 18 May 2005 upon his redesignation from an independent non-executive director to an executive director)

## 主席及行政總裁的角色

本集團主席與行政總裁角色已予互相區分。目前該兩個職位分別由王祿閻先生及范倚棋先生擔任，而兩者之間並無任何關連。

主席主要負責領導董事會及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。

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，包括執行董事會採納的重要策略與措施。

## 董事委員會

作為良好公司管治的一個重要環節，本公司成立了下列委員會：

### *執行委員會*

執行董事會由本公司全體執行董事組成。董事會授權執行委員會負責本公司日常的管理及營運職務，惟職權及權力由薪酬委員會及全體董事會保留的事務除外。職權及權力由全體董事會保留的事務包括批准本公司財務報表、股息、股本變動、更改本公司業務整體特點或性質、涉及主要股東或董事利益衝突的若干重大交易和事項。薪酬委員會保留的權力見下文詳述。

### *審核委員會*

審核委員會由下列三位本公司獨立非執行董事組成：

王敏祥 (審核委員會主席)  
翁以登  
謝孝衍 (於二零零五年五月十八日獲委任)  
黃偉明 (於二零零五年五月十八日由獨立非執行董事改任執行董事後不再擔任審核委員會成員)

The audit committee was set up with written terms of reference prepared based on “A Guide for Effective Audit Committees” published by the Hong Kong Society of Accountants (as it was then known) and the Code. 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 external auditors and the Company’s senior management for the review and supervision of the Company’s financial reporting and internal control procedures.

#### *Remuneration Committee*

The remuneration committee (formerly known as compensation committee), comprises five members, the majority of which are independent non-executive directors, as follows:

WOON Yi Teng, Eden	(appointed as the chairman of the remuneration committee on 18 May 2005)
WANG Arthur Minshiang TSE Hau Yin, Aloysius	(appointed on 18 May 2005)
WANG Lu Yen Steven Julien FENIGER	
WONG Wai Ming	(ceased to be a member and the chairman of the remuneration committee on 18 May 2005 upon his redesignation from an independent non-executive director to an executive director)

The remuneration committee has adopted written terms of reference prepared by reference to the suggested terms of reference stated in *Note B.1.3* of the Code.

The remuneration committee has been delegated with the powers and authorities to implement the share option scheme of the Company and to deal with all compensation matters regarding the directors and senior management of the Company and its subsidiaries in accordance with the terms and conditions of their respective agreement/contract with the relevant member of the Group. No director is allowed to be involved in deciding his own remuneration package.

審核委員會的職權範圍乃參照香港會計師公會刊發的「審核委員會有效運作指引」及守則以書面訂明。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。

#### *薪酬委員會*

薪酬委員會由下列五位成員組成，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薪酬委員會主席)
王敏祥 謝孝衍	(於二零零五年五月十八日獲委任)
王祿閻 范倚棋	
黃偉明	(於二零零五年五月十八日由獨立非執行董事改任執行董事後不再擔任薪酬委員會成員及主席)

薪酬委員會所採納的書面職權範圍，乃參照守則附註 *B.1.3* 建議的職權範圍而制訂。

薪酬委員會獲授職權及權力執行本公司的購股權計劃，並根據有關人員與本集團有關成員公司訂立協議／合約的條款與條件，處理有關本公司及其附屬公司董事及高級管理層的一切薪酬事宜。任何董事一概不得參與釐定其本人的薪酬方案。