

REPORT ON CORPORATE GOVERNANCE

企業管治報告

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board had adopted Corporate Governance (“CG”) Guideline (available on website: www.nblife.com) which gives guidance on how corporate governance principles are applied to the Company.

The Company applied the principles and complied with all the code provisions set out in Appendix 14 Code of Corporate Governance Practices (the “Code”) of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout with certain deviations in respect of the appointment of Directors. The following summarises the Company’s corporate governance practices and explains deviations, if any, from the Code.

In addition to complying with applicable statutory requirements, we aim to continually review and enhance our corporate governance practices in light of local and international best practices.

STATEMENT OF COMPLIANCE

A. Directors

A1. The Board

Code Principle

The board should assume responsibility for leadership and control of the issuer; and be responsible for directing and supervising the issuer’s affairs.

Key Corporate Governance Principles and Natural Beauty’s Practices

Code provisions

Alignment?

Governance procedures for Natural Beauty

At least four board meetings a year.

✓

- There were eight board meetings in 2005.
- Details of Directors’ attendance records in 2005:

	Remuneration Committee Meeting	Audit Committee Meeting	Board Meeting
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Executive Directors

Dr. TSAI Yen Yu	n/a	n/a	8/8
Mr. LEE Ming Ta	n/a	n/a	8/8
Mr. SU Chien Cheng	1/1	2/2	8/8
Dr. SU Sh Hsyu	n/a	n/a	8/8

Independent Non-Executive Directors

Mr. YEH Liang Fei	1/1	2/2	3/8
Mrs. CHEN Shieh Shu Chen	1/1	2/2	3/8
Mr. CHEN Ching	1/1	2/2	3/8

All directors be given an opportunity to include matters in the agenda for regular board meetings.

✓

Directors are consulted to include any matter in the agenda for regular Board meetings.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Notice of at least 14 days be given of a regular board meeting.	✓	The Company generally gives notice and draft agenda of regular Board meetings at least 14 days in advance. The Company aims at giving reasonable notice generally for all other Board meetings.
Access to advice and services of the company secretary.	✓	All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advises the Board on corporate governance and compliance matters.
Minutes of meetings kept by company secretary and open for inspection.	✓	The Company Secretary is responsible for taking minutes of Board and Board Committee meetings, which would be sent to Directors within a reasonable time (generally within 14 days) after each meeting and would be made available for inspection by Directors/committee members.
Draft and final minutes sent to all Directors for comments within a reasonable time.	✓	
Agreed procedure for Directors to seek independent professional advice at the company's expense.	✓	Natural Beauty's corporate governance guidelines provide for Directors taking independent professional advice at the Company's expense.
If a substantial shareholder/ director has a conflict of interest in a material matter, board meeting should be held. Such director must abstain from voting and not be counted in quorum.	✓	Full Board meetings will be held instead of by way of circulation, for any material transactions with connected persons. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction should be present at such meeting. The Company's articles provide for voting and quorum requirements conforming with Code requirements.

A2. *Chairman and Chief Executive Officer*

Code Principle

Clear division of responsibilities – separate offices of chairman and chief executive officer to ensure a balance of power and authority.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Roles of chairman and chief executive officer should be separate; clearly established and set out in writing.	✓	Dr. TSAI Yen Yu serves as the Chairman and Mr. Lee Ming Ta serves as the CEO. The Chairman focuses on Group strategic and Board issues. The Managing Director has overall chief executive responsibility for Group operations and development generally.
The Chairman should ensure all directors be briefed on issues arising at the board meeting.	✓	The Chairman has a clear responsibility to provide the whole Board with all the information that is relevant to the discharge of the Board's responsibilities.
The Chairman should ensure directors to receive adequate information.	✓	The Company aims to continually improve on the quality and timeliness of the dissemination of information to Directors. (See Section A6 – “Supply of and access to information” for further details)

A3. *Board composition*

Code Principle

The board should have a balance of skills and experience appropriate to the requirements of the business of the issuer, which also consists of a balanced composition of executive and Non-Executive Directors (including independent Non-Executive directors) so that independent judgment can effectively be exercised.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Identify the independent Non-Executive directors in all corporate communications.	✓	Composition of the Board, by category of Directors, including names executive Directors and Independent Non-Executive Directors are disclosed in all corporate communications.

A4. *Appointments, re-election and removal*

Code Principle

Formal, considered and transparent procedures should be established for the appointment of new directors. Significant emphasis should also be placed on issue of succession planning.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Non-Executive directors should be appointed for a specific term, subject to re-election.	✓	All directors, including Executive and Non-Executive Directors serve three-year terms, and are subject to re-election.
All directors appointed to fill a casual vacancy should be subject to election at the first and subsequent general meeting.	✓	According to the Articles of the Company, new directors appointed shall hold office only until the next following Annual General Meeting (“AGM”). Subject to shareholders’ approval at the forthcoming AGM, new Directors are required to submit themselves to election at the first general meeting (either AGM or Extraordinary General Meeting) following their appointment.
Every director should be subject to rotation at least once every three years.	✓	At each annual general meeting, one-third of the Directors (including Executive and Non-Executive Directors), or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office.

A5. *Responsibilities of directors*

Code Principle

All directors (including Non-Executive directors) are required to keep abreast of their responsibilities as a director of an issuer and of the conduct, business activities and development of that issuer.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Every newly appointed director should receive a comprehensive, formal induction to ensure that he has a proper understanding of the business; his responsibilities under the Listing Rules, applicable regulatory requirements, business and governance policies of the issuer.	✓	On appointment, new Directors will be given a comprehensive orientation training by the Company's legal counsel, to explain the responsibilities and duties, and other regulatory requirements. The Company Secretary is responsible for keeping all Directors updated on Listing Rules and other statutory requirements.
Functions of Non-Executive directors include: – bring an independent judgment at the board meeting – take the lead where potential conflicts of interests arise – serve on committees if invited – scrutinise the issuer's performance.	✓	All independent Non-Executive Directors are members of the two standing committees of the Board, namely the Audit Committee and Remuneration Committee.
Directors should ensure that they can give sufficient time and attention to the affairs of the issuer.	✓	There is satisfactory attendance for Board and Board Committee meetings in 2005.
Directors must comply with their obligations under the Model Code set out in Appendix 10.	✓	Throughout the year, Directors complied with the required standards of the Model Code set out in Appendix 10 to the Listing Rules regarding Directors' securities.

A6. Supply of and access to information

Code Principle

Directors should be provided in a timely manner with appropriate information so as to enable them to make an informed decision and to discharge their duties and responsibilities.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Board papers should be sent to all directors at least three days before the date of board/committee meeting.	✓	Board papers are sent to all Directors at least three days before the date of board/committee meeting.
Each director should have separate and independent access to senior management.	✓	Senior management are from time to time brought into formal and informal contact with the Board at board meetings and other events.
Directors are entitled to have access to board papers; steps must be taken to respond properly and fully to director queries.	✓	Board papers and minutes are made available for inspection by Directors and Committee Members.

B. Remuneration of Directors and Senior Management

B1. The level and make-up of remuneration and disclosure

Code Principle

A formal and transparent procedure should be established for setting policy on Executive Director remuneration and for fixing the remuneration packages for all directors. No director should be involved in deciding his own remuneration.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Issuers should establish a remuneration committee with specific written terms of reference (containing the minimum prescribed duties) which information is available on request or on the website.	✓	Natural Beauty set up a Remuneration Committee in 2005. Full terms of reference are available on the Company's website: www.nblife.com .
The committee should consult the chairman and/or chief executive officer regarding proposed remuneration of other executive directors and have access to professional advice where necessary.	✓	Three of the Directors' service contract were expired during the year. With reference to the remuneration committee charter, each committee member had carefully reviewed and considered the terms of the expired service contracts, contribution of each of the Directors to the Group, the Directors' experience in the beauty and spa business and the market rate paid by comparable companies. The terms of the renewed service contracts of each of the Directors were remain unchanged and renew for another three years.
The remuneration committee should be provided with sufficient resources to discharge its duties.	✓	Independent professional advice will be sought to supplement internal resources where appropriate.

C. Accountability and Audit

C1. Financial reporting

Code Principle

The board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Management to provide explanation and information to enable board to make informed assessment of relevant matters.	✓	Directors are provided with reports on the management's strategic plans, updates on lines of business, financial objectives, plans and actions.
Acknowledgement of director responsibility for preparing the accounts; a statement by the auditors regarding reporting responsibilities in auditors' report.	✓	<p>The Directors are responsible for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2005, the Directors have:</p> <ul style="list-style-type: none">• approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;• selected and applied consistently appropriate accounting policies;• made judgements and estimates that are prudent and reasonable;• prepared the accounts on the going concern basis. <p>A statement by the auditors about their reporting responsibilities is included in the Report of the Auditors on page 82.</p>
Board responsibility to present a balanced, clear and understandable assessment in annual/interim reports, price sensitive announcements; other financial disclosures/reports under the Listing Rules and statutory requirements.	✓	The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

C2. *Internal controls*

Code Principle

The board should maintain a sound and effective internal controls system to safeguard the shareholders' investment and the issuer's assets.

Code provisions

Alignment?

Governance procedures for Natural Beauty

The directors should at least annually conduct a review of the effectiveness of the system of internal controls.

✓

The Board has overall responsibility for the system of internal controls and for reviewing its effectiveness. Management regularly reviews the effectiveness of the risk management and system of internal controls and compliance with best practices. The Executive Directors and Financial Controller also report to the Audit Committee twice a year on key findings regarding internal controls. The Audit Committee, in turn, communicates any material issues to the full Board.

C3. *Audit Committee*

Code Principle

The audit committee should have clear terms of reference, including arrangements for considering how it applies the financial reporting and internal controls principles. The committee should maintain an appropriate relationship with the company's auditors.

Code provisions

Alignment?

Governance procedures for Natural Beauty

Minutes be kept by a duly appointed secretary; and should be sent to all committee members within a reasonable time.

✓

Draft minutes prepared by the Company Secretary are sent to members within 14 days of each meeting.

A former partner of the existing auditors should not sit on the Audit Committee.

✓

None of the three Audit Committee members are former partners of the external auditors.

The terms of reference of audit committee (containing the minimum prescribed duties) be made available on request and on the website.

✓

Full terms of reference (Audit Committee Charter) are available on website: www.nblife.com.

Disclosure – statement from the audit committee explaining its recommendation on the appointment, resignation or dismissal of external auditors; express disclosure where the board disagrees with the committee's view.

✓

Audit Committee recommended to the Board (which in turn endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Deloitte Touche Tohmatsu be reappointed as the external auditors for 2006.

The audit committee should be provided with sufficient resources to discharge its duties.

✓

There is an agreed procedure for Audit Committee members to take independent professional advice at Company's expense.

D. Delegation by the Board

D1. Management functions

Code Principle

An issuer should have a formal schedule of matters reserved to the board for its decision. The board should give clear directions to management as to the matters that must be approved by the board before decisions are made on behalf of the issuer.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Board must give clear directions as to the powers of management, including circumstances where management should obtain prior approval from the board.	✓	There is a defined schedule of matters reserved for full Board decision, including: <ul style="list-style-type: none">– Long-term objectives and strategies;– Extension of group activities into new business areas;– Annual budgets;
Formalise the functions reserved to the board and those delegated to management.	✓	<ul style="list-style-type: none">– Preliminary announcements of interim and final results;– Dividend;– Material banking facilities;– Material acquisitions and disposals;– Material connected transactions;– Annual internal controls assessment; and– Appointments to the Board following recommendations by the Nomination Committee.

D2. Board Committees

Code Principle

Board committees should be formed with specific written terms of reference that deal clearly with the committees' authority and duties.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Clear terms of reference to enable proper discharge of committee functions.	✓	The Board has established two Board Committees (Audit Committee and Remuneration Committee) with specific terms of reference available at the Company's website www.nblife.com .
The terms of reference should require committees to report their decisions to the board.	✓	Board Committees present their respective reports to the Board after each meeting, which reports address their work and findings.

E. Communication with Shareholders

E1. Effective communication

Code Principle

The board should endeavour to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.

Code provisions	Alignment?	Governance procedures for Natural Beauty
A separate resolution be proposed by the chairman for each substantially separate issue.	✓	Separate resolutions are proposed at the meeting on each substantially separate issue, including the election of individual Directors.
The chairman of the board should attend the general meeting and arrange for the chairmen of the audit, remuneration and nomination committees to be present.	✓	All Executive Directors, Independent Non-Executive Directors, and Chairman of Audit and Remuneration Committees are requested to attend the forthcoming annual general meeting.

E2. Voting by poll

Code Principle

The issuer should regularly inform shareholders of the procedure for voting by poll and ensure compliance with the requirements about voting by poll contained in the Listing Rules and the constitutional documents of the issuer.

Code provisions	Alignment?	Governance procedures for Natural Beauty
Disclosure in general meeting circulars of procedures and rights of shareholders to demand a poll.	✓	Procedures for demanding a poll were set out in the notice of AGM. These procedures were also explained during the AGM proceedings.
Ensure that votes cast are properly counted and recorded.	✓	A representative of the Company's Share Registrar, Hong Kong Registrars Limited was appointed as scrutineer.
Chairman of meeting should adequately explain the poll procedures at commencement of meeting.	✓	Poll results were published in major Hong Kong newspapers on the business day following the meeting and posted on the websites of the Stock Exchange.

ADDITIONAL CORPORATE GOVERNANCE AREAS

Institutional shareholder communications

We regard it important to enter into a dialogue with institutional shareholders based on mutual understanding of objectives. An Executive Director and Group Financial Controller participated in three road shows during the year covering London, Beijing and Hong Kong.

本公司董事會及管理層致力維持高企業管治水平。董事會已採納有關本公司如何應用企業管治原則的企業管治指引（於網站www.nblife.com可供參閱）。

本公司已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14之企業管治常規守則（「守則」）所載原則，而除於委任董事方面有若干偏離外，亦已遵守當中所載全部守則條文。下文概列本公司之企業管治常規並解釋偏離守則（如有）之原因。

除符合適用法規外，本公司致力參照本地及國際最佳常規，持續檢討及改進企業管治常規。

遵例聲明

A. 董事

A1. 董事會

守則原則

董事會應負有領導及監控發行人的責任，並負責指導及監督本公司事務。

主要企業管治原則及自然美之常規

守則條文	是否符合 守則條文	自然美之規管程序	薪酬委員會 會議	審核委員會 會議	董事會 會議
每年至少召開四次會議。	✓	<ul style="list-style-type: none"> 二零零五年曾舉行八次董事會會議。 二零零五年之董事出席記錄詳情： 			
		執行董事			
		蔡燕玉博士	不適用	不適用	8/8
		李明達先生	不適用	不適用	8/8
		蘇建誠先生	1/1	2/2	8/8
		蘇詩琇博士	不適用	不適用	8/8
		獨立非執行董事			
		葉良輝先生	1/1	2/2	3/8
		陳謝淑珍女士	1/1	2/2	3/8
		譚清先生	1/1	2/2	3/8
全體董事皆有機會提出商討事項列入董事會定期會議議程。	✓	已諮詢各董事，以提出任何商討事項以列入董事會定期會議議程。			

守則條文	是否符合 守則條文	自然美之規管程序
召開董事會定期會議應發出至少14天通知。	✓	本公司一般就定期董事會會議發出至少14天預先通知及會議議程初稿。本公司力求就所有其他董事會會議發出時間合理之通知。
可獲公司秘書提供意見和服務。	✓	所有董事均可與公司秘書聯絡。公司秘書之職責為確保董事會程序獲遵守及就企業管治及合規事宜向董事會提供建議。
會議記錄由公司秘書備存及可供查閱。	✓	公司秘書負責所有董事會及其轄下委員會會議之會議記錄，而會議紀錄將於各會議後合理時間內（一般為十四日內）送交各董事，並可供各董事／委員會成員查閱。
於合理時間內將會議記錄初稿及最終定稿送交全體董事	✓	
訂立協定程序，讓董事徵求獨立專業意見，費用由公司支付。	✓	自然美之企業管治指引規定董事可徵求獨立專業意見，費用由本公司支付。
倘若主要股東／董事於重大事宜中存有利益衝突，應舉行董事會會議。該董事必須放棄投票及不計入法定人數。	✓	就任何與關連人士進行之重要交易，將會舉行全體董事會會議，而不會以書面形式處理。於交易中並無重大權益之獨立非執行董事及其聯繫人士應出席該會議。
		本公司之章程細則規定投票及法定人數須符合守則之規定。

A2. 主席及行政總裁

守則原則

主席及行政總裁的責任應清楚區分，以確保權力和授權平衡。

守則條文	是否符合 守則條文	自然美之規管程序
主席與行政總裁的角色應有區分，並以書面清晰列載。	✓	蔡燕玉博士為主席，而李明達先生則出任行政總裁。主席專注本集團之策略及董事會事務。董事總經理則擔綱行政總裁職務，掌管本集團整體業務及發展。
主席應確保董事會會議上所有董事均獲簡報當前事項。	✓	主席有明確職責，須向全體董事會提供所有與履行董事會職責有關的資料。
主席應確保董事獲得充足資料。	✓	本公司致力持續改善向董事發佈資料之質素及時間性（進一步詳情請參閱第A6節－「資料提供及使用」）

A3. 董事會組成

守則原則

董事會應具備發行人業務所需的適當技能和經驗，而執行董事與非執行董事（包括獨立非執行董事）組合亦應保持均衡，以便能夠有效地作出獨立判斷。

守則條文	是否符合 守則條文	自然美之規管程序
所有公司通訊中均應列出獨立非執行董事身分。	✓	在所有公司通訊中已按董事類別（包括姓名、執行董事及獨立非執行董事）披露董事會的組成。

A4. 委任、重選及撤換

守則原則

董事會應制定正式、經審慎考慮並具透明度的新董事委任程序，並應著重於設定董事接任計劃。

守則條文	是否符合 守則條文	自然美之規管程序
非執行董事的委任應有指定任期，並須接受重選。	✓	所有董事（包括執行董事及非執行董事）於出任三年後均須接受重選。
所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受重選。	✓	根據本公司章程細則，新委任董事之任期均直至下屆股東週年大會（「股東週年大會」）為止。董事須在接受委任後的首次股東大會（不論為股東週年大會或股東特別大會）膺選連任，惟須待股東於即將舉行之股東週年大會批准。
每名董事應至少每三年輪值退任一次。	✓	於每屆股東週年大會，三分之一董事（包括執行或非執行董事，或如董事數目並非三或三之倍數，則為最接近但不超過三分之一的人數）須輪值退任。每年退任之董事應為在任年期最長者。

A5. 董事責任

守則原則

各董事（包括非執行董事）須不時瞭解其作為發行人董事的職責，以及發行人的經營方式、業務活動及發展。

守則條文	是否符合 守則條文	自然美之規管程序
每名新委任的董事均應在首次接受委任時獲得全面及正式的就任介紹，以確保彼適當理解發行人的業務，以及彼根據上市規則、適用監管規定以及發行人的業務及管治政策下的職責。	✓	新董事於獲委時均會獲本公司法律顧問提供全面迎新培訓，向彼闡釋其職責及其他監管規定。 公司秘書負責通知全體董事最新的上市規則及其他法例規定。
非執行董事的職能包括： — 於董事會會議作出獨立判斷 — 在出現潛在利益衝突時帶頭處理 — 應邀出任各委員會成員 — 仔細評核發行人的表現。	✓	全體獨立非執行董事均為董事會兩個常務委員會（審核委員會及薪酬委員會）之成員。
各董事應確保彼等能付出足夠時間及精力處理發行人的事務。	✓	二零零五年度各董事會及董事會委員會會議之出席率令人滿意。
董事必須遵守彼等根據附錄10所載標準守則的責任。	✓	於整個年度內，各董事已遵守上市規則附錄10有關董事證券交易的標準守則所規定標準。

A6. 資料提供及使用

守則原則

董事應適時獲提供適當的資料，以便彼等作出知情決定及履行其職責。

守則條文	是否符合 守則條文	自然美之規管程序
董事會文件應至少於董事會／委員會會議舉行日期三天前送出予各董事	✓	董事會文件至少於董事會／委員會會議舉行日期三天前送交各董事。
各董事應有自行接觸公司高級管理人員的獨立途徑。	✓	高級管理層不時於董事會會議及其他場合與董事會正式或非正式會面。
各董事均有權查閱董事會文件，而公司必須採取步驟適當及全面回應董事查詢。	✓	董事會文件及會議記錄均可供董事及委員會成員查閱。

B. 董事及高級管理人員的薪酬

B1. 薪酬及披露的水平及組成

守則原則

應設有正規而具透明度的程序，以制訂有關執行董事酬金的政策及釐訂各董事的薪酬方案。董事不應參與決定其本身之薪酬。

守則條文	是否符合 守則條文	自然美之規管程序
發行人應設立薪酬委員會，其明確書面職權範圍（包括規定最低職責）須可供查閱或載於網站。	✓	自然美已於二零零五年設立薪酬委員會，其詳盡職權範圍載於本公司網站www.nblife.com。
薪酬委員會應就其他執行董事的薪酬建議諮詢主席及／或行政總裁，並可於有需要時取得專業意見。	✓	三名董事之服務合約於年內屆滿。經參考薪酬委員會之規章後，各委員會成員已詳細檢討及考慮已屆滿服務合約之條款，各董事對本集團之貢獻、董事於美容及spa業務之經驗以及可資比較公司支付之市場薪酬。 各董事之業績服務合約條款維持不變，已重續三年。
薪酬委員會應獲提供充足資源以履行其職責。	✓	於適當時將會尋求獨立專業意見以補充內部資源。

C. 問責及核數

C1. 財務匯報

守則原則

董事會應平衡、清晰及全面地評核公司的表現、狀況及前景。

守則條文	是否符合 守則條文	自然美之規管程序
管理層應提供解釋及資料，讓董事會可以就有關事宜作出知情決定。	✓	董事獲提供本集團之策略計劃、主要業務活動回顧及詳細財務目標、計劃及行動。
確認董事編製賬目的責任：於核數師報告中載列核數師就其申報責任之聲明。	✓	<p>管理層須負責置存適當會計記錄及就各財務期間編製賬目，有關賬目須真實和公允地反映本集團業務狀況及於該期間的業績及現金流量。於編製截至二零零五年十二月三十一日止年度之賬目時，董事已：</p> <ul style="list-style-type: none">• 批准採納所有由香港會計師公會頒佈的適用財務報告準則；• 挑選及貫徹應用適當會計原則；• 作出審慎合理的判斷和預測；• 按持續經營基準編製賬目。 <p>核數師就其申報責任之聲明列載於第82頁之核數師報告書內。</p>
董事會有責任於年度／中期報告、股價敏感公佈、根據上市規則及法規規定提供其他須予披露財務資料／財務報告中作出清晰、平衡及易於理解的評審。	✓	董事會將會於年報及中期報告、其他股價敏感公佈、根據上市規定之其他財務披露、呈交監管機構之報告以及根據法規規定須予作出之披露中作出平衡、清晰及易於理解的評審。

C2. 內部監控

守則原則

董事會應設立穩健有效的內部監控系統，以保障股東的投資及發行人的資產。

守則條文	是否符合 守則條文	自然美之規管程序
董事會最少每年檢討一次內部監控系統的成效。	✓	董事會對集團內部監控系統負有整體責任，並檢討其成效。管理層定期檢討風險管理及內部監控系統的成效，並遵守最佳常規。執行董事及財務總監亦會就內部監控的主要檢討結果每年向審核委員會匯報兩次，而審核委員會則會將任何重大事宜提交全體董事會。

C3. 審核委員會

守則原則

審核委員會應設有明確職權範圍，包括如何應用財務匯報及內部監控原則的安排。審核委員會應與公司核數師維持適當關係。

守則條文	是否符合 守則條文	自然美之規管程序
會議記錄應由正式委任的會議秘書保存，並於一段合理時間內發送予審核委員會全體成員。	✓	公司秘書草擬之會議記錄於各會議14日內發送交各成員。
現任核數公司的前任合夥人不得擔任審核委員會成員。	✓	三名審核委員會中無外聘核數師前任合夥人。
於應要求及在網站提供審核委員會的職權範圍（包括規定最低職責）。	✓	完整職權範圍（審核委員會規章）刊載於網站www.nblife.com
披露審核委員會的聲明，並於董事會不同意審核委員會的見解時解釋其委聘、辭退或解僱外聘核數師的建議。	✓	審核委員會推薦董事會（而董事會已認可其見解），待於即將舉行之股東週年大會獲股東批准後，重新委任德勤•關黃陳方會計師事務所為外二零零六年外聘核數師。
審核委員會應獲供給充足資源以履行其職責。	✓	現時已設有協定程序，讓審核委員會成員尋求獨立專業意見，費用由本公司支付。

D. 董事會權力的轉授

D1. 管理功能

守則原則

發行人應設有一項正式的事項列表，列明留待董事會決定的事項。董事會應給予管理層清晰指示，列明彼等代表發行人作出決定前必須經由董事會批准之事項。

守則條文	是否符合 守則條文	自然美之規管程序
董事會必須就管理層的權力給予清晰指引，包括在何種情況下管理層應先取得董事同意。	✓	現時已設有明確事項列表，列明須由董事會決定的事項，包括： <ul style="list-style-type: none">— 長期目標及策略；
正式落實董事會專責的職能及授予管理層的職能。	✓	<ul style="list-style-type: none">— 擴展集團業務至新範疇；— 年度預算；— 中期及末期業績公佈初稿；— 股息；— 重大銀行融資；— 重大收購及出售；— 重大關連交易；— 年度內部監控評估；及— 經提名委員會推薦後委任董事加入董事會。

D2. 董事會轄下委員會

守則原則

成立董事會轄下各委員會時應書面設定明確職權範圍，清晰列載委員會的權力及職責。

守則條文	是否符合 守則條文	自然美之規管程序
設定清晰職權範圍，讓委員會適當地履行其職能。	✓	董事會轄下設有兩個董事會委員會（審核委員會及薪酬委員會），其明確職權範圍於本公司網站www.nblife.com登載。
職權範圍應規定各委員會需向董事會匯報其決定。	✓	董事會委員會於各會議後向董事會提呈報告，載列其工作或所得結果。

E. 與股東溝通

E1. 有效溝通

守則原則

董事會應盡力與股東持續保持對話，尤其是藉股東週年大會或其他股東大議與股東溝通及鼓勵彼等參與。

守則條文	是否符合 守則條文	自然美之規管程序
會議主席應就每項實際獨立的事宜個別提呈決議案。	✓	於股東大會上，均已就每項大致上獨立的事宜（包括選舉個別董事）個別提呈決議案。
董事會主席應出席股東週年大會，並安排審核委員會、薪酬委員會及提名委員會的主席出席。	✓	全體執行董事、獨立非執行董事、審核委員會主席及薪酬委員會主席均需出席即將舉行之股東週年大會。

E.2 以投票方式表決

守則原則

發行人應定期通知股東以按股數方式表決的程序，並確保符合上市規則有關以按股數方式表決的規定及本公司的組織章程文件。

守則條文	是否符合 守則條文	自然美之規管程序
於股東大會通函內，披露股東要求以按股數方式表決的程序。	✓	要求以按股數方式表決的程序已載於股東週年大會通告。該等程序亦會於股東週年大會中闡釋。
確保所投票數獲適當點算及記錄。	✓	本公司股份過戶登記處香港證券登記有限公司已獲委任為監票人。
會議主席須於大會開始時充分解釋按股數方式表決的程序。	✓	按股數方式表決的結束於舉行會議後第二個營業日在香港各主要報章公佈，並於聯交所網站刊登。

其他企業管治範疇

機構投資者通訊

我們認為與機構投資者按照對目標的共同理解進行對話非常重要。一名執行董事及本集團財務總監於年內曾參與在倫敦、北京及香港三地舉行的巡迴展覽。