

Corporate Governance Report

企業管治報告

The Directors believe that good corporate governance practices serve as an effective risk management for the Company and hence, the shareholders of the Company will benefit from the high standard of corporate governance.

The Company 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 and complied with the CG Code throughout the review period with deviations from certain code provisions of the CG Code specified and explained below.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Listing Rules. The Company has made specific enquiries to all Directors who have confirmed that, during the Year, they have complied with the required standard set out in the Model Code.

THE BOARD

As at 31 December 2005, the Board consists of 14 directors including 8 executive directors, 1 non-executive director and 5 independent non-executive directors (“INEDs”). Names and biographical details of the Directors are set out under the section headed “Directors and Senior Management” on pages 19 to 25.

董事相信，良好的企業管治常規對本公司來說即有效之風險管理。因此，本公司之股東將受惠於高水平之企業管治。

本公司已採納並遵守聯交所證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」）之守則條文，惟下文列明及闡釋當中有偏離企業管治守則之部分守則條文。

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）。本公司在進行具體查詢後，全體董事均確認於截至本年度，彼等已遵守標準守則所列明之規定標準。

董事會

於二零零五年十二月三十一日，董事會由十四名董事組成，包括八位執行董事、一位非執行董事及五位獨立非執行董事（「獨立非執行董事」）。董事姓名及其簡介載於第19至25頁之「董事及高級管理層」一節內。

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During the Year, the Board held four meetings. Attendance of each director at the Board meetings held in 2005 is set out below:

於本年度，董事會舉行了四次會議。各董事於二零零五年舉行之董事會會議之出席率列載如下：

Directors		Meetings Attended / Held
董事		出席會議次數／會議舉行次數
<i>Executive Directors:</i>		
<i>執行董事：</i>		
Ho Tsu Kwok, Charles (<i>Chairman</i>)	何柱國 (主席)	4/4
Lo Wing Hung (<i>Chief Executive Officer</i>)	盧永雄 (行政總裁)	4/4
Jia Hongping	賈紅平	0/4
Jim Sui Hing	詹瑞慶	3/4
Lai Ting Yiu	黎廷瑤	4/4
Lau Chung Man, Louis (appointed on 1 June 2005)	劉仲文 (於二零零五年六月一日獲委任)	3/3
Sy Wong Chor Fong	施黃楚芳	4/4
Yang Yiu Chong, Ronald Jeffrey	楊耀宗	4/4
<i>Non-Executive Director:</i>		
<i>非執行董事：</i>		
Leung Chun Ying	梁振英	3/4
<i>Independent Non-Executive Directors:</i>		
<i>獨立非執行董事：</i>		
Timothy David Dattels	Timothy David Dattels	2/4
Ho Chiu King, Pansy Catilina	何超瓊	2/4
King Richard Yun Zing	金元成	4/4
Lee Cho Jat (appointed on 27 May 2005)	李祖澤 (於二零零五年五月二十七日獲委任)	3/3
Tung Chee Chen	董建成	3/4

The Board is responsible for leadership and control of the Company. The Board reviews and approves the objectives, strategies, direction and policies of the Group, the annual budget and the management structure of the Company. The Board also reviews the Group's performance in light of the Group's objectives, business plans and budgets.

董事會肩負領導及監控本公司的責任，董事會檢討及批准本集團之目標、策略、方向及政策，以及本公司之年度預算及管理架構。董事會並會根據本集團之目標、業務計畫及預算，從而檢討本集團之表現。

The Board has delegated the responsibility of the day-to-day operations of the Group to the management of the Company.

董事會將本集團之日常業務工作委派予本公司之管理層負責。

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The Chairman of the Board is Mr. Ho Tsu Kwok, Charles and the Chief Executive Officer (“CEO”) of the Group is Mr. Lo Wing Hung. The roles of the Chairman and the CEO were segregated. The Chairman is primarily responsible for the management and effective performance of the Board. The CEO is primarily responsible for the day-to-day management of the business of the Group.

All non-executive directors, except Mr. Lee Cho Jat who was appointed for a term of two years commencing from 27 May 2005, were appointed for a term of two years commencing from 1 January 2005 subject to retirement and re-election by rotation under the bye-laws of the Company.

REMUNERATION COMMITTEE

The Board has established a remuneration committee and its principle roles and functions are:

- (i) to make recommendations to the Board on the Company’s policy and structure of remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (ii) to have the delegated responsibilities to determine the specific remuneration packages of executive directors and senior management; and
- (iii) to review and approve performance based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee consists of 3 members. They are Ms. Ho Chiu King, Pansy Catilina who is the Chairperson of the Remuneration Committee, Mr. King Richard Yun Zing and Mr. Lo Wing Hung. The Remuneration Committee has reviewed the performance of some of the Directors for the

董事會主席為何柱國先生，本集團行政總裁則為盧永雄先生。主席和行政總裁的身份分開，主席主要負責管理及有效地運作董事會，行政總裁則主要負責本集團業務的日常管理。

除李祖澤先生之任期自二零零五年五月二十七日起為期兩年外，所有非執行董事之任期均自二零零五年一月一日起為期兩年，惟須根據本公司之公司細則輪值告退及重選。

薪酬委員會

董事會已成立薪酬委員會，其主要角色及職能如下：

- (i) 就本公司之董事及高級管理層之薪酬政策及架構，以及為制訂該等薪酬政策建立正規及具透明度之程序，向董事會提出建議；
- (ii) 獲授權負責釐定執行董事及高級管理層的特定薪酬待遇；及
- (iii) 參考董事會不時議決之企業目標及目的，檢討及批准按表現調整之薪酬。

薪酬委員會由三名委員組成，分別為薪酬委員會主席何超瓊女士、金元成先生及盧永雄先生。薪酬委員會已於本年度檢討部分董事之表現，並按該等董事

Year and adjusted the remuneration packages of such Directors based on their performances. The emoluments of each of the Directors are set out in this annual report on pages from 125 to 126.

NOMINATION OF DIRECTORS

The Directors are responsible for selecting and recommending candidates for directorship. They identify individuals suitably qualified in terms of skill, knowledge and experience to become members of the Board, taking into account of the then existing composition of the Board in terms of skill, knowledge and experience and make recommendation to the Board for approval.

During the Year, two experienced and high calibre individuals have been nominated and appointed as members of the Board in accordance with the process and criteria mentioned above.

AUDIT COMMITTEE

The Board has established an audit committee and its principle roles and functions are:

- (i) to make recommendation to the Board on the appointment, reappointment and removal of external auditors and to review and monitor their independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (ii) to oversee the Group's relation with the external auditors;
- (iii) to review the financial information of the Group including monitoring the integrity of the Group's financial statements, annual reports and accounts, and half-year report, etc. and reviewing significant financial reporting judgements contained therein; and

之表現調整其薪酬待遇。各董事之酬金乃列載於本年報第125至126頁。

董事提名

董事負責挑選及推薦董事候選人，依據技能、知識及經驗以確認個別人士是否合資格成為董事會成員，亦考慮董事會依據技能、知識及經驗組成之當時組織，向董事會提出建議並待其批准。

於本年度，兩名富經驗及具才幹的人士按上述之程序及條件獲提名及委任為董事會成員。

審核委員會

董事會已成立審核委員會，其主要角色及職能如下：

- (i) 就外聘核數師的委任、重新委任及罷免向董事會提供建議，及按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- (ii) 監督本集團與外聘核數師之關係；
- (iii) 審閱本集團之財務資料，包括監察本集團之財務報表、年報和賬目及半年度報告等之完整性，並審閱其中之重要財務申報的判斷；及

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(iv) to oversee the Group's financial reporting system and internal control procedures.

(iv) 監督本集團財務申報系統及內部監控程序。

The Audit Committee comprised 3 members and all of them are INEDs. Attendance of each member at the Audit Committee meetings held in 2005 is set out below:

審核委員會由三名委員組成，三名委員均為獨立非執行董事。各委員於二零零五年舉行之審核委員會會議之出席率列載如下：

Members 委員		Meetings Attended/Held 出席會議次數／會議舉行次數
Tong Yuk Lun, Paul (<i>Chairman</i>) (resigned on 27 May 2005)	唐玉麟 (主席) (於二零零五年五月二十七日辭任)	1/1
King Richard Yun Zing (re-designated as Chairman on 27 May 2005)	金元成 (於二零零五年五月二十七日由委員調職為主席)	2/2
Ho Chiu King, Pansy Catilina	何超瓊	1/2
Lee Cho Jat (appointed on 27 May 2005)	李祖澤 (於二零零五年五月二十七日獲委任)	1/1

The following is a summary of the work performed by the Audit Committee during the Year:

以下為於本年度審核委員會之工作概要：

- Reviewed the audited accounts for the year ended 31 December 2004;
 - Reviewed the interim report for the six months ended 30 June 2005; and
 - Reviewed the internal audit reports covering the evaluation of internal controls.
- 審閱截至二零零四年十二月三十一日止年度之經審核賬目；
 - 審閱截至二零零五年六月三十日止六個月之中期業績報告；及
 - 審閱包括內部監控評核之內部審核報告。

AUDITORS' REMUNERATION

During the Year, the remuneration payable to the Group's external auditors, Messrs. Ernst & Young, is set out below:

Services rendered 提供之服務

		Fee payable 應付費用
		HK\$'000 千港元
Audit services	審計服務	3,300
Non-audit services	非審計服務	121
Total	合計	3,421

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting balanced and clear interim and annual financial statements, other price-sensitive announcements and other financial statements disclosures. The reporting responsibilities of the external auditors are set out in this annual report on page 47.

The Board is responsible for the system of internal control of the Group and reviews the effectiveness of the system of internal control through the Audit Committee. The Internal Audit Department independently reviewed the major operating and financial control of the Group on an on-going basis and covered all major operations of the Group on a rotational basis. The Internal Audit Department reported twice each year to the Audit Committee on significant findings on internal controls with copies of such reports to the external auditors for their reference.

核數師酬金

於本年度，應付予本集團之外聘核數師安永會計師事務所之酬金列載如下：

責任承擔及核數

董事確認就每年財政年度編製財務報表為其職責，該等財務報表須真實與公允地反映本集團之財務狀況，以及提呈平衡及清晰之中期及年度財務報表、其他對股價敏感而刊登之公告及其他財務報表之披露。外聘核數師之申報職責乃載述於本年報第47頁內。

董事會須就本集團內部監控制度負責，並透過審核委員會檢討內部監控制度之成效。內部審核部門持續獨立檢討本集團之主要營運及財務監控，並以輪值方式涵蓋本集團所有主要營運業務。內部審核部門就內部監控之重要發現每年向審核委員會報告兩次，及將有關報告副本交予外聘核數師以作參考。

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The Board has resolved in August 2005 a procedure to enable directors to seek independent professional advice in appropriate circumstances, at the Company's expense and adopted the written guidelines for relevant employees in respect of their dealings in the securities of the Company in August 2005 and a schedule of matters reserved for the Board's decision which brought the Company into compliance with the relevant code provisions of the CG Code. The Chairman of the Board and the Chairperson of the Audit Committee did not attend the general meetings of the Company held in 2005 due to other commitments.

於二零零五年八月，董事會議決通過制訂一套程序，讓董事在適當情況下尋求獨立專業意見，有關開支由本公司承擔；採納有關相關僱員買賣本公司證券之書面指引；及接納一份列載保留予董事會作決定的事項之計劃表，使本公司符合企業管治守則之相關守則條文之規定。董事會主席及審核委員會主席因有其他事務處理而未能出席本公司於二零零五年舉行之股東大會。