

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The group is committed to maintain a high standard of corporate governance and enhance its transparency so as to protect the shareholders' interest in general. The Group will continue to raise the standard to formalise the best practise of corporate governance as far as we could.

The Company had adopted the code provisions set out in the Code of Corporate Governance Practices (the "Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own corporate governance practices.

### BOARD OF DIRECTORS

The Board is now made up of nine Directors including six Executive Directors and three Independent Non-executive Directors. Biographical details of the Directors are set out on page 16 of this Annual Report.

The Board has a balance of skills and experience appropriate for the requirements of the business. The Board membership is covered by professionally qualified and widely experienced personnel so as to bring in valuable contributions and different professional advices and consultancy for the development of the Company. All Directors have separate and independent access to the advice and services of the senior management and the company secretary with a view to ensuring the board procedures, and all applicable rules and regulations are followed. The principal functions of the Board are to supervise the management of the business and affairs; to approve the strategic plans, investment and funding decision; to review the Group's financial performance and operative initiatives.

The Company confirmed it had received from each of its independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and it considers them to be independent.

The Board meets regularly and additional meetings are convened when deemed necessary by the Board. Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly.

本集團致力達致高水平之企業管治，並提升集團透明度以保障股東整體利益。本集團將繼續提高標準，務求制定最佳之正規企業管治常規。

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14所載之企業管治常規守則（「企業管治守則」）所載之守則條文，作為其本身之企業管治常規。

### 董事會

董事會目前由九位董事組成，包括六位執行董事及三位獨立非執行董事。董事之履歷載於本年報第16頁。

董事會具備適用於管理集團業務之技能及經驗。董事會成員涵蓋具備專業資格及廣泛經驗之人士，為本公司之發展提供不同專業意見及諮詢，並作出寶貴貢獻。所有董事均可自行透過獨立途徑接觸高級管理層及公司秘書以取得建議及服務，藉以確保遵守董事會程序，以及所有適用規則及規例。董事會之主要功能為監督業務及事務管理；批核策略性計劃、投資及撥付資金決定；以及檢討集團財務表現及經營活動。

本公司確認，已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書，並認為彼等均屬獨立人士。

董事會定期舉行會議，並於其認為有需要時召開特別會議。董事會成員獲提供完整、充份及適時資料，以便董事可妥善履行彼等之職責。

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The post of Chairman and Managing Director (the “MD”) are separate and are not held by the same individual to ensure their independence, accountability and responsibility. The Chairman, Mr. Tsang Chung Yin is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The MD, Mr. Chan Churk Kai supported by other members and the senior management, is responsible for managing the Group’s business, implementing major strategies, making day-to-day decisions and co-ordinating overall business operations. The role and responsibilities of the chief executive officer has been performed by the MD. The day-to-day running of the Company is delegated to the management, with divisional heads responsible for different aspects of the business.

According to Bye-laws of the Company, the Chairman and MD of the Company were not subject to retirement by rotation. In view of the new code, the Company is taking steps to amend the Bye-laws to provide that no Director shall unless re-elected, serve for a period spanning more than three annual general meetings.

In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. The Board considers that the existing human resource policy in recruitment of new senior staff is also applicable to nomination of new director. Furthermore, as the full Board is responsible for selection and approval of candidates for appointment as executive director to the board, therefore the Company has not established a Nomination Committee for the time being.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rule (the “Model Code”) as the code of conduct regarding directors’ securities transactions.

Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year under review.

主席及董事總經理之職位乃相互獨立及並非由同一人擔任，以確保兩者之獨立性及問責性。主席曾仲賢先生負責監督董事會功能及制定本公司之整體策略及政策。董事總經理陳焯佳先生在其他成員和高級管理層之協助下，負責管理集團業務、推行重大策略、作出日常決策及統籌整體業務運作。行政總裁之職責及責任乃由董事總經理履行。本公司日常運作乃交付予管理層，而各部門主管則負責管理業務之不同範疇。

根據本公司之公司細則，本公司主席及董事總經理毋須遵守輪值退任之規定。鑒於新守則之規定，本公司正採取措施修訂公司細則，訂明所有董事除獲重選外，任期概不得超過三個股東週年大會涵蓋之期間。

在評估獲提名之新董事人選時，董事會將考慮候選人之資歷、能力、工作經驗、領導才能及專業道德。董事會認為，招聘新高層員工之現有人力資源政策亦適用於新董事提名。此外，由於董事會全體成員負責遴選及批准委任加入董事會之執行董事之候選人，故本公司現時並無設立提名委員會。

### 董事之證券交易

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之標準守則（「標準守則」），作為有關董事進行證券交易之行為守則。

經本公司向全體董事作出特定查詢後，本公司確認，全體董事於回顧年度內均一直遵守標準守則所規定之標準。

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### AUDIT COMMITTEE

The audit committee consists of three Independent Non-executive Directors, namely Mr. Wong Wah On, Edward, Mr. Chan Yuk Ming and Mr. Wong, Samuel Kwok Kay. Its major duties are to assist the Board in fulfilling its oversight responsibilities as to the Company's financial statements, reporting, internal control, and audit findings. Mr. Wong is the Chairman of the Audit Committee and applies his professional qualifications in accounting and financial management expertise in directing the Audit Committee. The terms of reference of the Committee are aligned with the recommendations set out in "A Guide For Effective Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code.

The Audit Committee holds regular meetings at least twice a year in connection with the release of the annual and interim results of the Group and at such other times as the Audit Committee may determine.

The Company has established a remuneration committee subsequent to the year end in April 2006.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL SYSTEM

The Directors acknowledge their responsibility to prepare financial statements for each year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual account, and announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group position and prospects.

### 審核委員會

審核委員會由三位獨立非執行董事(即黃華安先生、陳旭明先生及黃國熹先生)組成。其主要職責為協助董事會履行監察本公司財務報表、申報、內部控制及核數結果之責任。黃華安先生為審核委員會主席，彼運用所具備之會計專業資格及財務管理專才領導審核委員會。委員會之職權範圍與香港會計師公會頒佈之「審核委員會有效運作指引」及企業管治守則所載之守則條文相符。

審核委員會每年就發佈本集團之全年及中期業績最少舉行兩次定期會議，並在其釐定之其他時間舉行會議。

在年度結束後，本公司已於二零零六年四月成立薪酬委員會。

### 董事就財務系統承擔之責任

董事肩負每年編製真實及公平地反映本集團業務狀況之財務報表，以及向股東提呈中期及全年賬目和公佈之責任，旨在就本集團狀況及前景呈示不偏不倚及可理解之評估。

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The attendance records of the Directors are set out below:

董事之出席記錄載列如下：

	<b>Board</b> 董事會	<b>Audit Committee</b> 審核委員會
Mr. Tsang Chung Yin 曾仲賢先生	5/9	
Mr. Tsang Yin 曾賢先生	6/9	
Mr. Chan Churk Kai 陳焯佳先生	4/9	
Mr. Tsang Sik Yin, Eric 曾錫賢先生	4/9	
Dr. Tsang Ngan Chung 曾銀鐘博士	9/9	
Ms. Ngai Chui Ling 魏翠玲女士	4/9	
Mr. Wong Wah On, Edward 黃華安先生		2/2
Mr. Chan Yuk Ming 陳旭明先生		2/2
Mr. Wong, Samuel Kwok Kay 黃國熹先生		2/2