

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



*Back from left to right: Anita WONG, KWOK Chee Chung, Ireen YEUNG, Richard WO,  
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Front from left to right: Tony LEUNG, Edmond CHAU, Hester WONG*

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The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

### CODE ON CORPORATE GOVERNANCE PRACTICES

In the light of 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 of Hong Kong Limited (the "Stock Exchange") which came into effect on 1 January 2005, the Board has reviewed the corporate governance practices of the Company with the adoption and improvement of the various procedures and documentation which are detailed in this report. The Company has applied the principles of and complied with the applicable code provisions of the CG Code during the year ended 31 December 2005, except for certain deviations as specified with considered reasons for such deviations as explained below.

### THE BOARD

The Board currently comprises seven Directors and its composition is set out as follows:

<b>Executive Directors:</b>	Patrick Lee Seng Wei Joseph Tong Tang
<b>Non-Executive Director:</b>	Arthur George Dew ( <i>Chairman</i> )
<b>Independent Non-Executive Directors ("INEDs"):</b>	David Craig Bartlett Alan Stephen Jones ( <i>appointed on 3 January 2006</i> ) Carlisle Caldwell Procter Peter Wong Man Kong

本公司致力於切合實際之範圍內維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本公司之成功及提升股東價值至為重要。

### 企業管治常規守則

根據已於2005年1月1日起生效之香港聯合交易所有限公司（「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」），董事會已審閱本公司之企業管治常規，並已採納及改進多項程序及文件，詳情載於本報告內。除下文解釋之若干已闡明原因之偏離行為外，於截至2005年12月31日止年度，本公司已應用企業管治守則之原則及遵守適用之守則條文。

### 董事會

董事會目前由七名董事組成，其成員載列如下：

<b>執行董事：</b>	李成偉 唐登
<b>非執行董事：</b>	狄亞法 ( <i>主席</i> )
<b>獨立非執行董事：</b>	白禮德 Alan Stephen Jones ( <i>於2006年1月3日委任</i> ) Carlisle Caldwell Procter 王敏剛

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The brief biographical details of the Directors are set out in the “Brief Biographical Details in respect of Directors and Senior Management Staff” section in the Directors’ Report on pages 55 to 58.

The Non-Executive Directors (a majority of whom are independent) provide the Group with a wide range of expertise and experience. Their active participation in Board and Committee meetings brings independent judgment on issues relating to the Group’s strategy, performance and management process, taking into account the interests of all shareholders.

The Company has four INEDs representing more than one-third of the Board. Two of the four INEDs have the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group’s annual and interim results. During the year, seven Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

各董事之簡短個人資料載於第55至58頁董事會報告中「董事及高層管理人員之簡短個人資料」一節內。

非執行董事(大部份為獨立非執行董事)為本集團提供廣泛之專業知識及經驗。彼等積極參與董事會及委員會會議，在全體股東利益的前題下，對本集團之策略、表現及管理程序之事宜提供獨立判斷。

本公司之四名獨立非執行董事佔董事會人數多於三分之一，其中兩名獨立非執行董事均具備上市規則第3.10條所列的適當專業資格或會計或相關財務管理專長。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載指引下之獨立性。

除召開會議審閱及批准本集團之全年及中期業績外，董事會亦定期舉行會議，討論本集團之整體策略以及營運及財務表現。董事會於年內共舉行七次會議，各董事之出席率如下：

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		Number of Board meetings attended/eligible to attend 出席／具資格出席 董事會會議之次數
<b>Executive Directors:</b>		
Patrick Lee Seng Wei	執行董事： 李成偉	3/7
Joseph Tong Tang	唐登	7/7
<b>Non-Executive Director:</b>		
Arthur George Dew ( <i>Chairman</i> )	非執行董事： 狄亞法 (主席)	7/7
<b>INEDs:</b>		
David Craig Bartlett	獨立非執行董事： 白禮德	6/7
Carlisle Caldow Procter	Carlisle Caldow Procter	7/7
Peter Wong Man Kong	王敏剛	4/7
Sir Gordon Macwhinnie ( <i>resigned on 30 December 2005</i> )	麥蘊利爵士 (於2005年12月30日辭任)	5/7

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalized and set out in writing which was approved by the Board in June 2005. The Board will review the same once a year.

Regular Board meetings are scheduled one year in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are

經董事會決定或考慮之事宜包括本集團整體策略、全年營運預算、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予行政管理人員，並由執行委員會(其具有明確之書面職權範圍)指示／監督。董事會及本公司管理層之職能已分別確立並以書面列載，且已於2005年6月獲董事會批准。董事會將每年對上述職能作出檢討。

定期董事會會議的舉行日期在一年前已預先編定，以便更多董事出席會議。召開董事會會議一般會給予所有董事至少14天之通知，彼等皆有機會提出商討事項以列入會議議程內。公司秘書協助主席編製會議議程，以及確保已遵守所有適用規則及規

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complied with. The agenda and the accompanying Board papers are sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure was established in June 2005 to enable the Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer ("CEO") are separate to reinforce their respective independence and accountability. The Chairman of the Company is Mr. Arthur George Dew who is primarily responsible for the leadership of the Board, while the functions of a CEO are performed by the Group Chief Operating Officer, Mr. Joseph Tong Tang, who is also an Executive Director of the Company. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board in May 2005.

例。議程及隨附之董事會文件在舉行定期董事會會議(及於可行情況下,其他董事會會議)前3天送呈所有董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前,先供所有董事傳閱並提出意見。所有會議記錄均由公司秘書保存,並供任何董事於發出合理通知時在任何合理時間內查閱。

每名董事有權查閱董事會文件及相關資料,及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理人員。董事將獲持續提供上市規則及其他適用監管規定之重大發展之最新資料,以確保彼等遵守及秉持良好之企業管治常規。此外,書面程序已於2005年6月制定,讓各董事在履行其職務時,可在適當之情況下尋求獨立專業意見,有關合理費用由本公司承擔。

### 主席及行政總裁之角色

主席及行政總裁之角色有所區分,以加強彼此之獨立及問責性。本公司之主席為狄亞法先生,彼主要負責領導董事會,而行政總裁之職務則由集團營運總監唐登先生履行,彼亦為本公司之執行董事。彼等之職責已清楚區分及以書面列載,並於2005年5月經董事會批准。

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### APPOINTMENT AND RE-ELECTION OF DIRECTORS

In June 2005, the Board has established and adopted a written nomination procedure (the “Nomination Procedure”) specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Chairman of the Board shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key applicable legal and Listing Rules’ requirements as well as guidelines on the responsibilities and obligations to be observed by a director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group’s businesses and activities.

The Non-Executive Directors of the Company had no fixed term of office prior to 27 May 2005, but retired from office on a rotational basis in accordance with the relevant provision of the Company’s Articles of Association. According to the Articles of Association of the Company then in effect before 27 May 2005, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third) should retire from office by rotation. Further, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting and should then be eligible for re-election at that meeting.

### 董事之委任及重選

於2005年6月，董事會已設立並採納一套以書面列載之提名程序，具體列明本公司董事候選人之挑選準則及推薦程序。董事會主席須以提名程序所載之該等準則（如恰當資歷、個人專長及可投放時間等）作為基準確定及向董事會推薦董事人選，以予批准委任。

新任董事在接受委任時將會獲得一套就任資料文件，當中載有所有主要適用之法律及上市規則規定，以及董事應履行責任之有關指引。資料文件亦包括本公司最新刊發之財務報告及董事會所採納之企業管治常規文件。高層管理人員其後會向新任董事作所需之簡短介紹，以提供有關本集團業務及運作之更詳細資料。

於2005年5月27日前，本公司之非執行董事並無固定任期，惟須按照本公司組織章程細則之有關條文輪值退任。根據本公司於2005年5月27日前仍然有效之組織章程細則，在本公司每一屆股東週年大會上，三分之一當時在任之董事（或，倘其人數並非三或三之倍數，則最接近三分之一之數目）須輪值退任。此外，任何填補臨時空缺而獲委任之董事或新增之董事會成員僅可任職至下屆股東週年大會為止，屆時彼可於該大會上膺選連任。

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To fully comply with the code provision A.4.1 of the CG Code, immediately after the annual general meeting of the Company held on 27 May 2005 (the “2005 AGM”), all Non-Executive Directors of the Company were appointed for a specific term which shall continue until 31 December 2006, but subject to the relevant provisions of the Articles of Association of the Company or any other applicable laws whereby the Directors shall vacate or retire from their office. In addition, to ensure full compliance with the code provision A.4.2 of the CG Code, relevant amendments to the Articles of Association of the Company were proposed and approved by the shareholders at the 2005 AGM so that (i) any Director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the Company’s first general meeting after the appointment; and (ii) every Director shall be subject to retirement by rotation at least once every three years.

### BOARD COMMITTEES

The Board has established various committees, including the Remuneration Committee, Audit Committee and Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the Committees, which are kept by the Company Secretary, are circulated to all Board members and the Committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section “The Board” above, have been adopted for the Committee meetings so far as practicable.

為全面遵守企業管治守則之守則條文A.4.1，緊接於2005年5月27日舉行之本公司股東週年大會（「2005年股東週年大會」）後，本公司所有非執行董事之委任已設指定任期，直至2006年12月31日止，惟董事之撤職或退任須受本公司組織章程細則之有關條文或任何其他適用法例所規限。此外，為確保能全面遵守守則條文A.4.2，本公司已於2005年股東週年大會上向股東建議修訂其相關之組織章程細則，而有關修訂亦已獲股東批准，以使(i)任何獲委任填補臨時空缺之董事須於其委任後首次股東大會上接受股東重選；及(ii)每名董事須至少每三年輪值退任一次。

### 董事委員會

董事會已成立各個委員會，包括薪酬委員會、審核委員會及執行委員會，並分別以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予所有董事會成員傳閱，而各委員會需向董事會匯報其決定及作出建議（倘適合）。董事會會議之程序及安排（於上文「董事會」一節提述）已於可行情況下在委員會會議上採納。

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### Remuneration Committee

The Remuneration Committee (formerly known as Compensation Committee) has been established since April 1985 and currently consists of five members, including Messrs. Peter Wong Man Kong (Chairman), David Craig Bartlett, Arthur George Dew, Alan Stephen Jones and Carlisle Caldwell Procter, a majority of whom are INEDs. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to review and recommend to the Board the remuneration policy and packages of the Directors and, where appropriate, to consult the Chairman and/or Group Chief Operating Officer about the Committee's proposals relating to the remuneration of other Executive Directors;
- (ii) to review and recommend performance-based remuneration by reference to corporate goals and objectives approved by the Board from time to time;
- (iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;
- (iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (v) to ensure that no Director is involved in deciding his own remuneration.

### 薪酬委員會

薪酬委員會(由 Compensation Committee 易名為 Remuneration Committee)自1985年4月經已成立,目前由五名成員組成,包括王敏剛先生(主席)、白禮德先生、狄亞法先生、Alan Stephen Jones 先生及 Carlisle Caldwell Procter 先生,大部份均為獨立非執行董事。薪酬委員會獲提供充裕資源以履行其職務,並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下:

- (i) 檢討董事之薪酬政策及待遇,並向董事會提出建議,及(倘適合)就其他執行董事薪酬之相關委員會建議,諮詢主席及/或集團營運總監;
- (ii) 透過參照董事會不時批准之公司目標,檢討並建議按表現而釐定之薪酬;
- (iii) 檢討並建議向執行董事支付與其任何喪失或終止職務或委任有關之賠償;
- (iv) 檢討並建議因董事行為失當而解僱或罷免有關董事所涉及之賠償安排;及
- (v) 確保概無董事參與釐定其本身之薪酬。



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The terms of reference of the Remuneration Committee of the Company were revised in June 2005 to comply with the code provision B.1.3 of the CG Code, but with a deviation from the code provision of the remuneration committee's responsibilities to determine the specific remuneration packages of all executive directors and senior management of a listed company. The Board considers that the Remuneration Committee of the Company should review (as opposed to determine) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management for the following reasons:

- (i) the Board believes that the Remuneration Committee is not properly in a position to evaluate the performance of senior executives and that this evaluation process is more effectively carried out by the Executive Directors;
- (ii) a majority of the Remuneration Committee members are INEDs who may not be industry skilled and come from differing professions and backgrounds and they are not involved in the daily operation of the Company. They may have little direct knowledge of industry practice and standard compensation packages. The Remuneration Committee is thus not in a position to properly determine the remuneration of the Executive Directors;
- (iii) the Executive Directors must be in a position to supervise and control senior management and thus must be able to control their compensation; and
- (iv) there is no reason for Executive Directors to pay senior management more than industry standards and thus shareholders will benefit by reducing costs in the fixing of such compensation packages.

為遵守企業管治守則之守則條文B.1.3，本公司薪酬委員會之職權範圍已於2005年6月作出修訂，惟就該守則條文在薪酬委員會須釐定上市公司所有執行董事及高層管理人員之特定薪酬待遇之職責方面有所偏離。董事會認為，本公司薪酬委員會僅會就執行董事（不包括高層管理人員）之薪酬待遇作出檢討（而非釐定），並僅向董事會作出建議，理由如下：

- (i) 董事會認為薪酬委員會並不適宜評估高級管理人員之表現，而有關評估程序由執行董事執行將更為有效；
- (ii) 薪酬委員會成員大部份由獨立非執行董事組成，彼等來自不同行業、具有不同背景，或會對本公司經營之行業並不完全熟悉，且並無參與公司之日常運作。彼等對有關業界慣例及薪酬待遇之標準亦可能無直接認識。故此，薪酬委員會並不適宜釐定執行董事之薪酬；
- (iii) 執行董事必須負責監管高級管理人員，因而須有權力操控彼等之薪酬；及
- (iv) 執行董事並無理由向高級管理人員支付高於業界標準之薪酬，而由彼等釐定其薪酬待遇可減省支出，將有利於股東。

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The revised terms of reference of the Remuneration Committee have been placed on the Company's website in June 2005.

薪酬委員會經修訂之職權範圍已於2005年6月在本公司網站內登載。

The Remuneration Committee shall meet at least once a year. One Committee meeting was held in 2005 and the attendance of each member is set out as follows:

薪酬委員會每年須至少舉行一次會議。於2005年已舉行一次委員會會議，各成員之出席率如下：

Committee members	委員會成員	Number of Committee meeting attended/eligible to attend 出席／具資格出席 委員會會議之次數
Peter Wong Man Kong ( <i>Chairman</i> )	王敏剛 (主席)	1/1
David Craig Bartlett	白禮德	1/1
Arthur George Dew	狄亞法	1/1
Carlisle Caldwell Procter	Carlisle Caldwell Procter	1/1
Sir Gordon Macwhinnie ( <i>resigned on 30 December 2005</i> )	麥蘊利爵士 (於2005年12月30日辭任)	0/1

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2005. In 2005, the Remuneration Committee had performed the work as summarized below:

除舉行委員會會議外，薪酬委員會亦於2005年以傳閱文件方式處理事宜。於2005年，薪酬委員會已履行之工作概述如下：

- |   |   |
|---|---|
| <p>(i) reviewed and approved the Directors' bonuses for the year ended 31 December 2004;</p> <p>(ii) reviewed and recommended the proposed reimbursement arrangement between the Company and Quality HealthCare Asia Limited ("Quality HealthCare") for the remuneration of the Company's Chairman, who is also an executive director and the Chairman of Quality HealthCare, for the Board's approval (details of the arrangement have been published in a joint announcement of the Company and Quality HealthCare dated 18 November 2005 and are also set out in note 8 to the consolidated financial statements);</p> | <p>(i) 檢討及批准截至2004年12月31日止年度之董事花紅；</p> <p>(ii) 就本公司與卓健亞洲有限公司（「卓健」）一項有關償付本公司主席（亦為卓健之執行董事及主席）之薪酬安排（該安排之詳情已刊載於本公司與卓健在2005年11月18日之聯合公佈內，亦列載於綜合財務報表附註8），作出檢討及向董事會提出建議以予批准；</p> |
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- (iii) reviewed and discussed the policy and structure of the remuneration of Directors;
  - (iv) reviewed and discussed the remuneration packages of both the Executive and Non-Executive Directors;
  - (v) reviewed and discussed the staff remuneration policy; and
  - (vi) reviewed and recommended the proposed consultancy fee of a newly appointed INED for the Board's approval.
- (iii) 檢討及商議董事薪酬之政策及結構；
  - (iv) 檢討及商議執行及非執行董事兩者之薪酬組合；
  - (v) 檢討及商議僱員之薪酬政策；及
  - (vi) 檢討及向董事會提出建議，以批准新委任之獨立非執行董事之顧問費。

Each Director will be entitled to a director's fee which is to be proposed for the shareholders' approval at the annual general meeting of the Company each year. Further remuneration payable to Directors (including any consultancy fees of the INEDs) for their additional responsibilities and services will depend on their respective contractual terms under their service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. Details of the staff remuneration policy of the Group are also set out in the "Human Resources and Training" section in the Management Discussion and Analysis on page 20.

每名董事每年將享有經由股東於本公司股東週年大會上建議及批准之董事袍金。董事就彼等之其他職責與服務亦獲領取額外薪酬(包括獨立非執行董事之顧問費)，該薪酬乃按有關董事各自之服務合約內之條款，在薪酬委員會向董事會提出建議並獲批准後而釐定。董事薪酬之詳情載於綜合財務報表附註8。本集團之僱員薪酬政策亦載於第20頁管理層討論及分析中「人力資源及培訓」一節內。

### Audit Committee

The Audit Committee has been established since April 1985 and currently consists of four members, all of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Messrs. Alan Stephen Jones (Chairman), David Craig Bartlett, Carlisle Caldwell Procter and Peter Wong Man Kong. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

### 審核委員會

審核委員會自1985年4月經已成立，目前由四名成員(全部均為獨立非執行董事)組成。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專長之獨立非執行董事擔任主席。審核委員會之現有成員為 Alan Stephen Jones 先生(主席)、白禮德先生、Carlisle Caldwell Procter 先生及王敏剛先生。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

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The major roles and functions of the Audit Committee are:

- (i) to consider and recommend to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
- (ii) to consider and discuss with the external auditors the nature and scope of each year's audit;
- (iii) to review and monitor the external auditors' independence and objectivity;
- (iv) to review the interim and annual financial statements before submission to the Board;
- (v) to discuss any problems and reservation arising from the interim review and final audit, and any matters the external auditors may wish to discuss;
- (vi) to review the external auditors' management letters and management's response;
- (vii) to review the Group's financial controls, internal control and risk management systems;
- (viii) to review the internal audit plan, promote co-ordination between the internal and external auditors, and check whether the internal audit function is adequately resourced and has appropriate standing within the Group; and
- (ix) to consider any findings of the major investigations from the internal audit and management's response.

審核委員會之主要角色及職能如下：

- (i) 考慮外聘核數師之委任、重新委任及罷免，並向董事會提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該等核數師辭任或辭退該等核數師之問題；
- (ii) 考慮及與外聘核數師討論每年核數之性質及範疇；
- (iii) 檢討及監察外聘核數師之獨立性及客觀性；
- (iv) 於中期及全年財務報表提交董事會前先行審議；
- (v) 商議就中期審閱及最終核數而產生之任何問題及保留事項，及外聘核數師擬商討之任何事宜；
- (vi) 審議外聘核數師之致管理層函件及管理層之回應；
- (vii) 檢討本集團之財務監控、內部監控及風險管理系統；
- (viii) 審議內部審核計劃，推動內部及外聘核數師之工作協調；及檢視內部稽核功能是否有足夠資源運作，且在本集團具有適當地位；及
- (ix) 考慮內部稽核作出之重要調查結果及管理層之回應。

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The terms of reference of the Audit Committee of the Company were revised in June 2005 (and were further reviewed by the Board in July 2005) to comply with the code provision C.3.3 of the CG Code, but with the deviations from the code provision of the audit committee's responsibilities to:

- (i) implement policy on the engagement of the external auditors to supply non-audit services;
- (ii) ensure that management has discharged its duty to have an effective internal control system; and
- (iii) ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the listed company.

The Board considers that the Audit Committee of the Company should recommend (as opposed to implement) the policy on the engagement of the external auditors to supply non-audit services for the following reasons:

- (i) it is proper, and appropriate for the Board and its Committees to develop policy and make appropriate recommendations;
- (ii) the proper and appropriate mechanism for implementation of such policy and recommendations is through the Executive Directors and management; and
- (iii) INEDs are not in an effective position to implement policy and follow up the same on a day-to-day basis.

為遵守企業管治守則之守則條文C.3.3，本公司審核委員會之職權範圍已於2005年6月作出修訂（並於2005年7月經董事會再作檢討），惟就該守則條文在審核委員會之職責方面有所偏離：

- (i) 執行委聘外聘核數師提供非核數服務之政策；
- (ii) 確保管理層已履行其職責建立有效之內部監控系統；及
- (iii) 確保內部與外聘核數師之工作得到協調，也須確保內部稽核功能在上市公司內部獲得足夠資源運作，並且有適當之地位。

董事會認為本公司審核委員會應就委聘外聘核數師提供非核數服務之政策作出建議（而非執行），理由如下：

- (i) 由董事會及其下設之委員會制定政策及作出合適之建議乃屬恰當及合適；
- (ii) 由執行董事及管理層執行該政策及建議乃屬恰當及合適之機制；及
- (iii) 獨立非執行董事並不適宜執行日常之政策及跟進工作。

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Further, the Board considers that the Audit Committee of the Company only possesses the effective ability to scrutinize (as opposed to ensure) whether management has discharged its duty to have an effective internal control system. The Committee is not equipped to ensure that the same is in place as this would involve day-to-day supervision and the employment of permanent experts. The Audit Committee is not in a position either to ensure coordination between the internal and external auditors but it can promote the same. Similarly, the Committee cannot ensure that the internal audit function is adequately resourced but it can check whether it is adequately resourced.

The revised terms of reference of the Audit Committee have been placed on the Company's website in June 2005.

The Audit Committee shall meet at least three times a year. Four Committee meetings were held in 2005 and the attendance of each member is set out as follows:

此外，董事會認為本公司之審核委員會僅具備效能以監察（而非確保）管理層已履行其建立有效的內部監控系統之職責。由於上述事宜涉及日常監控及僱用全職之專業人員，因此審核委員會並無能力確保上述事宜得以執行。審核委員會亦不適宜確保內部和外聘核數師之工作得到協調，惟其可推動上述事宜。同樣，審核委員會不可確保內部稽核功能獲得足夠資源運作，惟可檢視其是否獲得足夠資源運作。

審核委員會經修訂之職權範圍已於2005年6月在本公司網站內登載。

審核委員會每年須至少舉行三次會議。於2005年已舉行四次委員會會議，各成員之出席率如下：

<b>Committee members</b>	<b>委員會成員</b>	<b>Number of Committee meetings attended/eligible to attend 出席／具資格出席 委員會會議之次數</b>
Sir Gordon Macwhinnie ( <i>Chairman</i> ) ( <i>resigned on 30 December 2005</i> )	麥蘊利爵士 (主席) (於2005年12月30日辭任)	4/4
David Craig Bartlett	白禮德	4/4
Carlisle Caldwell Procter	Carlisle Caldwell Procter	4/4
Peter Wong Man Kong	王敏剛	2/4

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During the meetings held in 2005, the Audit Committee had performed the work as summarized below:

- (i) considered the fee proposals from the external auditors for the final audit of the Group for the year ended 31 December 2004 (the “2004 Final Audit”) and for the interim results review for the six months ended 30 June 2005 (the “2005 Interim Review”);
- (ii) reviewed the reports from the external auditors, management representation letters and management’s responses in relation to the 2004 Final Audit and the 2005 Interim Review;
- (iii) reviewed the financial reports for the year ended 31 December 2004 and for the six months ended 30 June 2005;
- (iv) reviewed the audit planning memorandum for the year ended 31 December 2005 submitted by the Internal Audit and Compliance department (“IAC”);
- (v) reviewed the lists of audit reports issued by the IAC and discussed the risk and internal control issues of the Group;
- (vi) discussed the list of the Group’s investments in the principal associated companies;
- (vii) discussed the mode of operation of the Audit Committee for its better contribution in the future; and
- (viii) considered the proposed change of external auditors of the Group.

於2005年舉行之會議中，審核委員會已履行之工作概述如下：

- (i) 考慮外聘核數師就本集團截至2004年12月31日止年度之最終核數（「2004年年最終核數」）及截至2005年6月30日止六個月之中期業績審閱（「2005年中期審閱」）所提出之收費建議；
- (ii) 審議外聘核數師就2004年最終核數及2005年中期審閱作出之報告、有關之管理層聲明函件及管理層之回應；
- (iii) 審議截至2004年12月31日止年度及截至2005年6月30日止六個月之財務報告；
- (iv) 審議截至2005年12月31日由稽核及法規監核部（「稽核部」）提交之審核計劃；
- (v) 審議由稽核部提交之審核報告清單及討論本集團之風險與內部監控事宜；
- (vi) 討論本集團於主要聯營公司之投資清單；
- (vii) 討論審核委員會之運作模式，以便在將來帶來更好的貢獻；及
- (viii) 考慮本集團更換外聘核數師之建議。

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### Executive Committee

The Executive Committee has been established since November 1983 and currently consists of two Executive Directors, being Messrs. Patrick Lee Seng Wei and Joseph Tong Tang. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board of the Company, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

- (i) to formulate and implement policies for the business activities and internal control and administration of the Group; and
- (ii) to plan and decide on strategies to be adopted for the business activities of the Group.

### CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

To comply with the code provision A.5.4 of the CG Code, the Company has also adopted in June 2005 the Model Code for securities transactions by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

### 執行委員會

執行委員會自1983年11月經已成立，目前由兩名執行董事組成，包括李成偉先生及唐登先生。執行委員會獲授予本公司董事會所獲授予關於本集團業務的所有一般管理及監控權，惟根據執行委員會之書面職權範圍須留待董事會決定及批准之該等事宜除外。

執行委員會會於有需要時舉行會議，以討論本集團之營運事務，亦會透過傳閱文件方式處理事宜。執行委員會主要負責處理及監察日常管理事務，並有權：

- (i) 制定及執行有關本集團之商業活動、內部監控及行政政策；及
- (ii) 規劃及決定就本集團商業活動將予採納之策略。

### 董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」），作為其董事進行證券交易之行為守則。經本公司作出特定查詢後，所有董事已確認彼等已遵照標準守則所載之規定標準。

為遵守企業管治守則之守則條文A.5.4，就若干被認為可能擁有關於本公司或其證券之未公開股價敏感資料之本公司或其任何附屬公司之僱員進行證券交易，本公司亦已於2005年6月採納標準守則為其準則。



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### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from Finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2005, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgment and estimates that are prudent and reasonable and ensure the financial statements are prepared on the going concern basis.

The reporting responsibilities of the Company's external auditors, Deloitte Touche Tohmatsu ("Deloitte"), are set out in the Report of the Auditors on pages 75 and 76.

#### Internal Control System

The Company has put in place a comprehensive internal control system to protect the shareholders' interests. The internal control system is designed to provide reasonable assurance on the effectiveness and efficiency of operations, reliability of financial and management reporting, and the compliance with applicable laws and regulations.

### 問責性及審核

#### 財務報告

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。於編製截至2005年12月31日止年度之財務報表，已採用香港普遍接納之會計原則，並按照香港會計師公會頒佈之香港財務報告準則及香港會計準則以及香港公司條例之規定。董事認為所選擇的會計政策適當並且貫徹應用，而所作判斷及估計審慎合理，亦確保按持續經營基準編製財務報表。

本公司外聘核數師德勤•關黃陳方會計師行(「德勤」)之滙報責任載於核數師報告第75及76頁。

#### 內部監控系統

本公司已設立一個全面的內部監控系統，以保障股東利益。此內部監控系統之設立目的在於就公司之運作效能與效率、財務及管理層滙報之可靠性，以及遵從適用法例及監管條例方面提供合理之保證。

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The Company's independent Internal Audit and Compliance department plays an important role to provide assurance to the Board that a sound internal control system is maintained and operated by the management. It performs periodical reviews and checks in accordance with its annual audit plan, which has been reviewed by the Audit Committee and approved by the Chairman, to ensure the adequacy of the internal controls and their compliance by the relevant personnel. It also advises on the design and implementation of management systems to monitor and control risks and the regulatory compliance issues especially pertaining to new products and new computerized systems and new or revised departmental internal control procedures. Reports of the Internal Audit and Compliance department, issued to the Chairman, the Audit Committee, senior management and relevant management staff, are discussed and minuted at the Audit Committee meetings.

### External Auditors' Remuneration

During the year and up to the date of this report, the remuneration paid to the Company's former external auditors, PricewaterhouseCoopers ("PWC"), and its existing external auditors, Deloitte, are set out as follows:

本公司獨立運作的稽核及法規監核部擔任着重要角色，就管理層設立及執行良好的內部監控系統向董事會作出保證。該部門根據經審核委員會審閱及獲主席批准的全年審核計劃，定期進行審閱及查察，確保集團有充份的內部監控，有關人員亦遵守相關的規定。該部門亦就監察及控制風險的管理系統設計及實施、監管條例的遵守事宜提供意見，尤其是有關新產品與新電腦系統的設立，以及新訂或經修訂的部門內部監控程序的事宜。呈交主席、審核委員會、高級管理層及有關管理人員的稽核及法規監核部報告，會於審核委員會會議上討論並作記錄。

### 外聘核數師之酬金

於年內及截至本報告日期止，已支付予本公司前任外聘核數師羅兵咸永道會計師事務所（「羅兵咸永道」），及現任外聘核數師德勤之酬金載列如下：

Services rendered for the Group	為本集團提供之服務	Fees paid to PWC 支付予羅兵咸 永道之費用 HK\$'000 千港元	Fees paid to Deloitte 支付予 德勤之費用 HK\$'000 千港元
Audit services	核數服務	3,786	3,198
Non-audit services:	非核數服務：		
– Taxation and professional services	– 稅項及專業服務	1,047	–
– Other professional services	– 其他專業服務	–	734
<b>Total:</b>	<b>合計：</b>	<b>4,833</b>	<b>3,932</b>

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### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the Company's website.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The Chairman actively participates in the AGM and personally chairs the meeting to answer any questions from the shareholders. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

### 與股東之溝通

董事會瞭解與股東保持良好溝通之重要性。有關本集團之資料乃按時透過多種正式途徑(包括中期報告及年報、公佈及通函等)向股東傳達。該等刊發文件連同最近期之公司資料及消息均在本公司的網站上可供查閱。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東溝通之寶貴機會。主席積極參與並親身主持股東週年大會以回應股東之任何查詢。主席會就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函於股東週年大會舉行至少21天前發送予全體股東,該通函載列每項擬提呈決議案之詳情、投票程序(包括要求以股數投票方式進行表決之程序)及其他相關資料。主席於股東週年大會開始時,會再次解釋要求以股數投票方式進行表決之程序,及(除要求以股數投票方式表決外)宣佈就每項決議案已接獲委任代表之贊成及反對之票數。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome to promote our transparency.

On behalf of the Board



**Arthur George Dew**  
*Chairman*

Hong Kong, 7 April 2006

### 提升企業管治水平

提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。吾等將按經驗、監管條例之變動及發展，不斷檢討並於適當時改善公司之現行常規。本公司歡迎股東提供任何意見及建議以提高公司之透明度。

承董事會命



主席  
狄亞法

香港，2006年4月7日