



企業管治報告

Report of Corporate Governance

企業管治報告

本公司確認，本集團內維持有良好企業管治準則，讓本公司可以有效管理風險。本公司董事會（「董事會」）承諾憑著公司在業務策略方面以及按照高水平之企業管治標準而執行之營運策劃及程序之使命，帶領本集團以有效方式取得增長。

企業管治常規

董事會深信企業管治為本公司成功的關鍵，並已採取各項措施，以確保維持高標準的企業管治。自二零零五年一月一日起，本公司已採用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（「企業管治常規守則」）的原則及採納守則條文為其的企業管治常規。本公司將定期審閱及更新現行的常規，以追隨企業管治的最新發展。

董事會認為，除下文所披露者外，本公司於本年內遵守企業管治常規守則之守則條文。

守則條文第B.1.1至第B.1.4條

於年度內，鑑於本公司之架構簡單，員工成本低（因本公司乃根據股東批准之書面管理協議之條款由其投資經理管理），本公司並無成立薪酬委員會。董事會已重新考慮該事宜，並於二零零六年三月二十四日成立薪酬委員會。

董事的證券交易活動

本公司已採納上市規則附錄10之標準守則為董事進行證券交易之行為（「標準守則」）。經向全體董事個別作出查詢後，本公司確認全體董事在本年內已遵守標準守則所載的規定。

CORPORATE GOVERNANCE REPORT

The Company recognises that good corporate governance standards maintained throughout the Group serve an effective risk management for the Company. The board of directors (the "Board") of the Company is committed to lead the Group growing in an efficient manner followed by corporate missions in terms of business strategies and improved operational planning and procedures which are enforced under high corporate governance standard.

CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. With effect from 1st January, 2005, the Company has applied the principles and adopted code provisions set out in the Code on Corporate Governance Practices (the "Code on CGP") 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") as its own code on corporate governance practices. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

In the opinion of the Board, save as disclosed below, the Company has complied with the code provisions of the Code on CGP during the accounting year.

Code Provisions B.1.1 to B.1.4

During the year, the Company had not established a remuneration committee in view of the Company's simple structure and low staff cost (since the Company is being managed by its investment manager pursuant to the terms of written management agreement approved by the shareholders). The Board has re-considered and approved establishment of a remuneration committee on 24th March, 2006.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors (the "Model Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standards as set out in the Model Code during the year.



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企業管理

i. 董事會

董事會負責審核及批准企業事務，如業務策略及投資，以及本集團一般行政與管理事宜。

董事會現由四名執行董事，二名非執行董事及三名獨立非執行董事組成：

執行董事

馮永祥先生 (主席)
馮耀輝先生 (董事總經理)
李華倫先生
李世亮先生

非執行董事

李成輝先生
李業華先生

獨立非執行董事

蘇樹輝先生
周宇俊先生
何振林先生

(a) 主席及董事總經理

主席及董事總經理之角色應分開，應由彼此間並無關係之兩名獨立人士擔任，以達到平衡權力及職權，致使工作職責不會集中於任何一人。

董事會主席負責領導及有效管理董事會。

董事總經理獲授予職權以有效方式管理本集團業務之所有方面、執行重要策略、作出日常決定及協調整體業務運作。

獨立非執行董事之人數已相等於董事會成員之三分之一。兩名獨立非執行董事周宇俊及何振林諸位先生均具備適當之專業會計經驗及專業知識。董事會成員包括具有專業資格及豐富經驗的人士，藉以為本公司帶來寶貴之貢獻，以及就本公司之發展提供各類專業建議及意見。逾一半董事會成員擁有認可的專業法律、證券及會計資格。董事會成員間並無關係(包括財務、業務、家族或其他重大相關關係)。

CORPORATE MANAGEMENT

i. Board of Directors

The Board reviews and approves corporate matters such as business strategies and investments as well as the general administrative and management of the Group.

The Board currently consists of 4 executive directors, 2 non-executive directors and 3 independent non-executive directors:

Executive directors

Mr. Fung Wing Cheung, Tony (Chairman)
Mr. Fung Yiu Fai, Peter (Managing Director)
Mr. Lee Wa Lun, Warren
Mr. Li Shi Liang

Non-executive directors

Mr. Lee Seng Hui
Mr. Lee Yip Wah, Peter

Independent non-executive directors

Mr. Ambrose So Shu Fai, Ambrose
Mr. Chow Yu Chun, Alexander
Mr. Albert Ho

(a) Chairman and Managing Director

The roles of the Chairman and the Managing Director are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is responsible for the leadership and effective running of the Board.

The Managing Director is delegated with the authorities to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation.

The number of independent non-executive directors equals to one third of the Board membership. Two of the independent non-executive directors, namely Messrs. Chow Yu Chun, Alexander and Albert Ho, have the appropriate professional accounting experiences and expertises. The Board membership is covered by professionally qualified and widely experienced personnel so as to bringing in valuable contribution and different professional advices and consultancy for the development of the Company. More than one-half of the Board members have recognised professional legal, securities and accounting qualifications. There is no relationship (including financial, business, family or other material relevant relationship) among members of the Board.



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企業管理 (續)

i. 董事會 (續)

(b) 委任及重選董事

本公司之非執行董事 (包括獨立非執行董事) 獲委任為期一年之指定任期，惟須接受重選。於每屆股東週年大會上，當時三分之一人數之董事或 (倘其人數並非三或三之倍數) 最接近三分之一人數應輪值退任，惟每名董事須至少每三年退任一次。

為確保全面符合守則條文第A.4.2條，本公司將於二零零六年五月二十四日舉行之股東週年大會上提呈特別決議案以修訂有關之本公司組織章程細則，致使董事會於年內委任之每名董事須於本公司下屆股東大會上退任 (倘填補產生之空缺) 或直至本公司再下一屆股東週年大會退任 (倘董事會新增成員)，屆時符合資格於大會上重選。

公司秘書負責定期為董事會更新有關管治及監管事宜，全體董事均可獲取有關資料。本公司任何董事及審核委員會會員如欲獲取獨立專業建議，可由本公司負責有關費用，並透過公司秘書安排下進行。

除執行董事於本公司正常業務範圍內舉行之董事會會議外，董事會已依從企業管治常規守則之規定定期舉行董事會會議。於年度內，本公司共舉行四次定期董事會會議。

CORPORATE MANAGEMENT (continued)

i. Board of Directors (continued)

(b) Appointment and re-election of directors

Non-executive directors (including independent non-executive directors) of the Company have a specific term of appointment for one year, subject to re-election. At each annual general meeting, 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, shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years.

In order to ensure full compliance with code provision A.4.2, a special resolution will be proposed to amend the relevant Articles of Association of the Company at the annual general meeting to be held on 24th May, 2006, so that every director appointed by the Board during the year shall retire at the next general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting.

All directors have access to the services of the Company Secretary who regularly updates the Board on governance and regulatory matters. Any director and member of Audit Committee of the Company may take independent professional advice if they so wish at the expense of the Company, as arranged by the Company Secretary.

Save for the board meetings held between the executive directors during the normal course of business of the Company, the Board has had regular board meetings in accordance with the Code on CGP. During the year, the Company held four regular board meetings.

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企業管理 (續)

i. 董事會 (續)

(b) 委任及重選董事 (續)

二零零五年定期董事會會議個別董事的出席率：

Number of meetings

會議次數

4

Executive directors

執行董事

Fung Wing Cheung, Tony (Chairman)

馮永祥 (主席)

3/4

75%

Fung Yiu Fai, Peter (Managing Director)

馮耀輝 (董事總經理)

4/4

100%

Lee Wa Lun, Warren

李華倫

4/4

100%

Li Shi Liang

李世亮

0/4

0%

Non-executive directors

非執行董事

Lee Seng Hui

李成輝

3/4

75%

Lee Yip Wah, Peter

李業華

3/4

75%

Independent non-executive directors

獨立非執行董事

So Shu Fai, Ambrose

蘇樹輝

1/4

25%

Chow Yu Chun, Alexander

周宇俊

4/4

100%

Albert Ho

何振林

4/4

100%

Average attendance rate

平均出席率

72%

董事會例會前須向所有董事發出至少14日之通知，該彼等有機會出席會議，而所有董事均有機會在例會議程內加入事項。董事會文件須於會議前至少3天送交董事，以確保彼等擁有足夠時間審閱文件及為會議作出充份準備。

ii. 執行委員會

由本公司執行董事馮永祥，馮耀輝及李華倫諸位先生組成之執行委員會由董事會成立，負責代表本集團作出投資決策及經營本集團之一般業務。

CORPORATE MANAGEMENT (continued)

i. Board of Directors (continued)

(b) Appointment and re-election of directors (continued)

Attendance of individual directors at regular board meetings in 2005:

Number of meetings		4
Executive directors		
執行董事		
Fung Wing Cheung, Tony (Chairman)		
馮永祥 (主席)	3/4	75%
Fung Yiu Fai, Peter (Managing Director)		
馮耀輝 (董事總經理)	4/4	100%
Lee Wa Lun, Warren		
李華倫	4/4	100%
Li Shi Liang		
李世亮	0/4	0%
Non-executive directors		
非執行董事		
Lee Seng Hui		
李成輝	3/4	75%
Lee Yip Wah, Peter		
李業華	3/4	75%
Independent non-executive directors		
獨立非執行董事		
So Shu Fai, Ambrose		
蘇樹輝	1/4	25%
Chow Yu Chun, Alexander		
周宇俊	4/4	100%
Albert Ho		
何振林	4/4	100%
Average attendance rate		
平均出席率		72%

At least 14 days' notice of a regular board meeting is given to all directors to provide them with an opportunity to attend and all directors are given an opportunity to include matters in the agenda for a regular meeting. Board papers are despatched to the directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting.

ii. Executive Committee

The Executive Committee is established by the Board, comprising Messrs. Fung Wing Cheung, Tony, Fung Yiu Fai, Peter and Lee Wa Lun, Warren, being the executive directors of the Company which has been authorised to make investment decisions on behalf of the Group and operate normal course business of the Group.



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企業管理 (續)

iii. 審核委員會

審核委員會由本公司一名非執行董事及二名獨立非執行董事組成，具有法律及會計方面之認可專業資格，並於財務、地產及會計方面擁有實際豐富經驗。

審核委員會之職能包括(但不限於)下列各項：

- 考慮及審閱外聘核數師之委任、辭任及免職，以及其酬金等事宜
- 審閱本集團中期及全年業績
- 在進行本集團之年度審核時，與外聘核數師討論重大問題及事項

審核委員會之職權範圍，乃依照香港會計師公會之指引而制定，並按不低於企業管治常規守則所列者之標準而予以更新。上述職權範圍可應要求於本公司之註冊辦事處索取。

審核委員會於回顧年內之工作包括：

- 審閱本集團之二零零五年中期及全年業績
- 在編製二零零五年中期及全年財務報表時，與本公司管理層討論本集團之會計準則及政策是否完整、公平及足夠
- 與外聘核數師審閱及討論本公司之財務報告事宜
- 檢討二零零五年審核範疇及費用並推薦予董事會作批准
- 考慮及審閱外聘核數師之辭任及委任
- 向董事會推薦重新委任核數師，以待股東批准
- 審閱本年內本集團參與的有關連交易

CORPORATE MANAGEMENT (continued)

iii. Audit Committee

The Audit Committee comprises one non-executive director and two independent non-executive directors of the Company, who possess recognised professional qualifications in legal and accounting and have proven experience in finance, property and accounting.

The functions of the Audit Committee includes but not limited to the following:

- Considering and reviewing the appointment, resignation and removal of external auditors and their fees
- Reviewing the interim and annual results of the Group
- Discussing with the external auditors problems and issues of significance during the annual audit of the Group

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants, and have been updated on terms no less exacting those set out in the Code on CGP. The said terms of reference is available at the registered office of the Company on request.

The works of the Audit Committee during the year under review included:

- Reviewed the 2005 interim results and annual results of the Group
- Discussed with the management of the Company over the completeness, fairness and adequate accounting standards and policies of the Group in the preparation of the 2005 interim and annual financial statements
- Reviewed and discussed with the external auditors over the financial reporting of the Company
- Reviewed and recommended for approval by the Board the 2005 audit scope and fees
- Considered and reviewed the resignation and appointment of external auditors
- Recommended to the Board, for the approval by shareholders, of the re-appointment of the auditors
- Reviewed the connected transactions entered into by the Group during the year



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企業管理 (續)

iii. 審核委員會 (續)

審核委員會於二零零五年共召開四次會議。每次委員會會議均獲提供必須之本集團財務資料，供成員考慮、檢討及評審工作中涉及之重大事宜。

二零零五年審核委員會會議個別會員的出席率：

Number of meetings

會議次數

Chow Yu Chun, Alexander (*Chairman*)
周宇俊 (主席)
Lee Seng Hui
李成輝
Albert Ho
何振林

	4	
	4/4	100%
	3/4	75%
	4/4	100%

Average attendance rate

平均出席率

	92%
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iv. 薪酬委員會

於年度內，鑑於本公司之架構簡單，員工成本低(因本公司乃根據股東批准之書面管理協議之條款由其投資經理管理)，本公司並無成立薪酬委員會。董事會已重新考慮該事宜，並於二零零六年三月二十四日成立薪酬委員會。

CORPORATE MANAGEMENT (continued)

iii. Audit Committee (continued)

The Audit Committee met four times in 2005. Each committee meeting was supplied with the necessary financial information of the Group for the members to consider, review and assess matters of significance arising from the work conducted.

Attendance of individual members of Audit Committee at audit committee meetings in 2005:

iv. Remuneration Committee

During the year, the Company had not established a remuneration committee in view of the Company's simple structure and low staff cost (since the Company is being managed by its investment manager pursuant to the terms of written management agreement approved by the shareholders). The Board has re-considered and approved establishment of a remuneration committee on 24th March, 2006.



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v. 酬金政策

本公司之酬金政策為確保所有僱員（包括董事）獲充份補償彼等為本公司貢獻之能力及時間，而所提供之酬金乃與彼等之職責相符及與市場水平相若。概無董事或彼等之任何聯繫人士及行政人員參與決定其本身酬金。

核數師酬金

回顧年內，本公司已付核數師均富會計師行，正和會計師行有限公司及羅兵咸永道會計師事務所之酬金如下：

Services rendered

提供的服務

Grant Thornton

– Audit services

均富會計師行

– 核數服務

M Square CPA Limited

– Audit services

正和會計師行有限公司

– 核數服務

PricewaterhouseCoopers

(resigned on 21st December, 2005)

羅兵咸永道會計師事務所

(於二零零五年十二月二十一日辭任)

– Audit services (under provision in prior year)

– 核數服務 (過往年度撥備不足)

– Non-audit services

– 非核數服務

Fees paid/payable

已付／應付費用

HK\$

港幣

300,000

53,800

200,000

351,300

551,300

企業通訊

本公司依時及準確地向股東滙報本集團之企業資料。二零零四年年報及二零零五年中期報告之印刷本已寄發予所有股東。

v. Remuneration policy

The remuneration policy of the Company is to ensure that all employees, including directors, are sufficiently compensated for their efforts and time dedicated to the Company and remuneration offered is appropriate for their duties and in line with market practice. No director, or any of his associates, and executive is involved in deciding his own remuneration.

AUDITORS' REMUNERATION

During the year under review, the remunerations paid to the Company's auditors, Messrs. Grant Thornton, M Square CPA Limited and Messrs. PricewaterhouseCoopers, are set out as follows:

CORPORATE COMMUNICATION

The Company channels corporate information of the Group to the shareholders in a timely and accurate manner. Printed copies of the Annual Report 2004 and Interim Report 2005 were sent to all shareholders.



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企業通訊(續)

本公司於二零零五年舉行一次股東週年大會及一次股東特別大會。於二零零五年五月十三日之股東週年大會上，就各事宜提呈獨立決議案。除處理本公司之日常業務外，股東週年大會上亦修訂公司組織章程細則，以反映上市規則及證券及期貨條例近期所作之修訂。董事會主席已出席股東週年大會，而審核委員會一名成員亦出席股東週年大會以回答提問。主席於股東週年大會開始時已解釋本公司股東要求投票之程序。本公司已點算所有委任代表票數及向股東週年大會表明就各決議案已提交之委任代表票數，以及投票贊成及反對決議案之票數。於股東週年大會上點算之所有票數已適當點算及記錄。二零零五年八月十二日舉行之股東特別大會上以投票方式通過一項有關本公司關連交易之普通決議案。獨立董事委員會一名成員已出席就批准關連交易之股東特別大會以回答提問。主席於股東特別大會開始時已解釋本公司股東要求投票之程序及進行投票之程序。於股東特別大會上點算之所有票數已適當點算及記錄。該主要交易之詳情載於本公司於二零零五年七月二十六日發出之通函內。

企業監控

董事會有責任監察本集團整體企業匯報過程及控制系統。企業匯報標準已交予禹銘投資管理有限公司(「禹銘投資管理」)之會計部適當地定期檢討資源調配及財務匯報系統。企業管治常規，以及符合上市規則、證券及期貨條例及其他適用法規等事宜，已交予禹銘投資管理之企業融資部負責。本公司管理層每年與審核委員會檢討及簡述匯報系統。

本公司每位新委任董事均獲發一份詳盡資料，當中詳述作為本公司董事之責任及職責，並特別註明首次獲委任為本公司董事時須留意及知悉之適用規則及規例(包括上市規則)。本年度內，本公司之董事並無任何改變。

CORPORATE COMMUNICATION (continued)

The Company held an annual general meeting and an extraordinary general meeting in 2005. At the annual general meeting convened on 13th May, 2005, separate resolutions were proposed for each issue. In addition to the ordinary business of the Company dealt with at the annual general meeting, the Articles of Association were amended to reflect the recent amendments to the Listing Rules and the Securities and Futures Ordinance. The Chairman of the Board had attended the annual general meeting and a member of Audit Committee was available to answer questions at the annual general meeting. The Chairman had explained at the commencement of the annual general meeting the procedures for demanding a poll by shareholders of the Company. The Company had counted all proxy votes and indicated to the annual general meeting the level of proxies lodged on each resolution, and the balance for and against the resolution. All the votes cast at the annual general meeting were properly counted and recorded. At the extraordinary general meeting held on 12th August, 2005, an ordinary resolution was passed by way of poll in regard to the connected transaction of the Company. A member of independent board committee was available to answer questions at the extraordinary general meeting to approve the connected transaction. The Chairman had explained at the commencement of the extraordinary general meeting the procedures for demanding a poll by shareholders of the Company and the procedures for conducting a poll. All the votes cast by way of poll at the extraordinary general meeting were properly counted and recorded. Details of the connected transaction are disclosed in the circular dated 26th July, 2005 of the Company.

CORPORATE CONTROL

The Board has overall responsibility in monitoring the process of corporate reporting and control system throughout the Group. The corporate reporting standards are delegated to the accounting department of Yu Ming Investment Management Limited ("YMIM") in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, Securities and Futures Ordinance and other applicable regulations are delegated to the corporate finance department of YMIM. The management of the Company reviews and briefs the reporting systems with the Audit Committee annually.

Every newly appointed director of the Company will be provided with a comprehensive handout detailing the responsibilities and duties of being a director of the Company, in particular highlighting the respective applicable rules and regulation, including the Listing Rules, which a director should aware and be informed on the first occasion of his appointment with the Company. There was no change in the directorship of the Company during the year.



企業管治報告

Report of Corporate Governance

內部監控

董事會負責本集團內部監控系統。然而，該系統的設計只為於可接受的風險範圍內管理本集團的風險，而並非消除不能達至本集團的業務目標的失敗風險。因此，它只能提供合理的保證而非絕對的保證，防止管理層及財務資料及紀錄的誤述，或財務損失或欺詐。

董事會已確立既定程序，以確定、評估及管理本集團所面對的重大風險，程序包括當營商環境或規例指引變更時，更新內部監控系統。

董事會認為回顧年內及截至本年報及財務報表刊發日期，現存的內部監控系統穩健，及足以保護股東及員工的利益，和本集團的資產。

禹銘投資管理協助董事會推行風險及控制的政策及措施，確定及評估所面對的風險，並參與設計、運作及監察合適的內部監控措施，以減少及控制此等風險。

本集團已確立主要程序以審閱內部監控系統的充足性及完整性，該等程序包括：

- 董事會成立執行委員會，確保日常運作有效率，及是根據企業目標及策略。
- 本公司的審核委員會審閱外聘核數師、監管機構及管理層所確定的內部監控事項，並評估集團風險管理及內部監控系統的充足性及有效性。

董事編製財務報表之責任

董事會確認編製財務報表乃彼等之責任。核數師就財務報表作出報告之責任所發表聲明載於第31頁至第32頁之核數師報告。

INTERNAL CONTROLS

The Board is responsible for overseeing the Group's system of internal controls. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure, to achieve the business objectives of the Group. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders and employee, and the Group's assets.

YMIM assists the Board in the implementation of the board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Executive Committee is established by the Board to ensure the effectiveness of the daily operations and that the operations are in accordance with the corporate objectives and strategies.
- The Audit Committee of the Company reviews internal control issues identified by external auditors, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Board acknowledge that it is their responsibilities in preparing the financial statements. The statement of the auditors about their reporting responsibilities on the financial statements is set out in the Report of the Auditors on pages 31 to 32.