

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board and management of the Company believe good corporate governance is a reflection of integrity, transparency and high ethical standards of a responsible business and are committed to establish good corporate governance practices and procedures in accordance with applicable laws and regulations.

### CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year with all the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) set out 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”), except for certain deviations, with considered reasons for such deviations, as explained below.

### THE BOARD

#### *Composition*

The Board is responsible for the leadership and control of the Company and for promoting the success of the Company. The Board currently comprises seven Directors and its composition is as follows:

Executive Directors:

Peter Francis Amour (*Chairman*)  
Malcolm Stephen Jacobs-Paton  
Leung Shek Kong  
Mak Chee Bun

Independent Non-Executive Directors (“INEDs”):

Thomas Chia  
Edward Hungerford Milward-Oliver  
Stanley Chan

The brief biographical details of the Directors are set out in the “Profile of Directors and Senior Management” on pages 16 and 17.

本公司董事會及管理層深信，良好企業管治能反映一家負責任公司之誠信、透明度與高道德標準，彼等遂按照適用法律及規例之規定，致力於設立良好之企業管治常規及程序。

### 企業管治常規守則

本公司於年內一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）之所有適用守則條文，惟於下文解釋之若干已闡明原因之偏離行為除外。

### 董事會

#### *成員*

董事會負責領導及監控本公司，並推動本公司達至成功。董事會現由七名董事組成，其成員如下：

執行董事：

區沛達 (*主席*)  
Malcolm Stephen Jacobs-Paton  
梁錫光  
麥致賁

獨立非執行董事：

賈元平  
Edward Hungerford Milward-Oliver  
陳石麟

有關各董事之簡歷載於第16及17頁「董事及高級管理人員簡歷」內。

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### *Board Meetings*

During the year, four Board meetings were held and the attendance of each Director at the Board meetings was as follows:

#### Executive Directors:

執行董事：

		Number of Board meetings attended
		出席董事會會議之次數
Peter Francis Amour	區沛達	4
Malcolm Stephen Jacobs-Paton	Malcolm Stephen Jacobs-Paton	3
Leung Shek Kong	梁錫光	1
Mak Chee Bun	麥致賁	4
Sir Keith Bright (retired on 24 May 2005)	Keith Bright 爵士 (於二零零五年五月二十四日退任)	1

#### INEDs:

獨立非執行董事：

Thomas Chia	賈元平	3
Edward Hungerford Milward-Oliver	Edward Hungerford Milward-Oliver	3
Stanley Chan	陳石麟	3

Regular Board meetings are scheduled to be held four times a year at approximately quarterly intervals. 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 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 the same arrangements are made so far as practicable for 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. Each Director also has separate and independent access to the Company's senior management. Directors are continuously updated on major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. The Board has adopted an agreed

### 董事會會議

年內，董事會舉行了四次會議，各董事之出席情況如下：

董事會常規會議預定一年舉行四次，大約每季一次。召開董事會會議之通告一般於會議舉行最少十四天前發出予所有董事，以讓彼等可在會議議程中加插欲商討之事項。公司秘書協助主席編製會議議程，並確保所有適用規則及規例獲得遵守。議程及隨附之董事會文件一般在擬舉行董事會常規會議之日期(及就可行情況下，其他類似安排)前三天送呈全體董事。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，倘有任何董事發出合理通知，則會公開有關會議記錄供其於任何合理時段內查閱。每名董事均有權查閱董事會文件及相關資料，並可向公司秘書尋求意見及享用其服務。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最新重大發展之

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procedure to enable the Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at reasonable cost to be borne by the Company.

### *Chairman and Chief Executive Officer*

The roles of the Chairman and the Chief Executive Officer (“CEO”) are segregated to ensure a balance of power and authority. The Chairman of the Company, Mr Peter Francis Amour, is primarily responsible for the leadership of the Board and overall strategic planning and corporate development, whereas the functions of a CEO, including responsibility for all day-to-day management matters and operational performance of the Group, are shared among other Executive Directors.

### *Appointment and Re-election of Directors*

The Company follows a formal, fair and transparent procedure for the new appointment of directors to the Board. The Board will first consider necessary changes in respect of the structure, size and composition of the Board and identify suitably qualified candidates. In accordance with the current Bye-laws of the Company, every newly appointed director is subject to rotation and re-election at the first annual general meeting following his or her appointment.

New Directors, on appointment, will be given an induction package containing all key 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.

According to the Bye-laws of the Company then in effect before 24 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 but not more than 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.

資料，以確保彼等遵守及秉持良好之企業管治常規。董事會已採納一套協商程序，讓各董事在履行其職務時，可在適當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*

主席及行政總裁之角色已作區分，從而確保權力和授權分佈均衡。本公司之主席區沛達先生主責領導董事會、制定整體策略性規劃及企業發展；行政總裁則負責本集團所有日常管理事項及營運表現，其職務由其他執行董事分擔。

### *委任及重選董事*

本公司依照正規、公平、透明之程序委任新董事加入董事會。董事會將首先考慮董事會架構、規模及組成之必要變動，然後物色適當之合資格人選。按照本公司之現行公司細則，每名新委任董事均須於其接受委任後之首個股東週年大會上輪值告退及膺選連任。

新董事在接受委任後將取得一套入職資料文件，當中載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報表及董事會採納之企業管治常規文件。

根據本公司於二零零五年五月二十四日前仍然有效之公司細則，於本公司每屆股東週年大會上，三分之一當時在任之董事（或倘其人數並非三或三之倍數，則最接近但不超過三分之一之數目）須輪值退任。此外，任何因填補臨時空缺而獲委任之董事或董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼符合資格可於大會上膺選連任。

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To comply with code provision A.4.2 of the CG Code, Bye-laws of the Company were amended and, immediately after the annual general meeting of the Company held on 24 May 2005, every Director shall be subject to retirement by rotation at least once every three years.

### *Independent Non-Executive directors*

The INEDs 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 three INEDs representing more than one-third of the Board. One of the INEDs has the appropriate professional qualifications and 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.

Code provision A.4.1 stipulates that non-executive directors of the Company should be appointed for a specific term, subject to re-election. None of the existing INEDs is appointed for specific term and this constitutes a deviation from Code provision A.4.1. All the INEDs are subject to retirement by rotation at least once every three years.

## BOARD COMMITTEES

The Board has established the Remuneration Committee and Audit 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 on page 22 in the section "Board Meetings" above, have been adopted for committee meetings so far as practicable.

為遵守企業管治守則之守則條文A.4.2，本公司已修訂其公司細則，於緊隨本公司於二零零五年五月二十四日舉行之股東週年大會後，每名董事須至少每三年輪值退任一次。

### **獨立非執行董事**

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，在顧及全體股東利益之情況下，就本集團之策略、表現及管理程序之事宜作出獨立判斷。

本公司共有三名獨立非執行董事，佔董事會人數多於三分之一。其中一名獨立非執行董事具備上市規則第3.10條所列之適當專業資格及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屬上市規則第3.13條所載指引之獨立人士。

守則條文A.4.1訂明，非執行董事之委任應有指定任期，並須接受重新選舉。概無現任獨立非執行董事擁有指定任期，此舉構成與守則條文A.4.1之偏離。惟全體獨立非執行董事均須輪值告退，至少每三年一次。

## 董事委員會

董事會已成立薪酬委員會及審核委員會，並以書面具體列明其各自之職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需向董事會匯報其決定及建議（倘適合）。董事會會議之程序及安排（於上文第22頁「董事會會議」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 was established on 12 April 2005 and currently consists of three members, being Messrs Edward Hungerford Milward-Oliver (Chairman), Thomas Chia and Peter Francis Amour, a majority of whom are INEDs. No meeting was held in 2005.

The major role of the Remuneration Committee is to supervise on the compliance of the Company's remuneration system. It makes recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration.

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.

Each Director will be entitled to a director's fee which is proposed for 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 the 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 12(a) to the financial statements. Details of the staff remuneration policy of the Group are also set out in the "Employees" section in the Management Discussion and Analysis on page 13.

### *Audit Committee*

The Audit Committee was established in March 2000 and currently consists of three members, all of whom are INEDs. The current members of the Audit Committee are Messrs. Thomas Chia (Chairman), Edward Hungerford Milward-Oliver and Stanley Chan. 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.

### *薪酬委員會*

薪酬委員會於二零零五年四月十二日成立，現由三名成員組成，包括 Edward Hungerford Milward-Oliver 先生（主席）、賈元平先生及區沛達先生，當中大部分成員屬獨立非執行董事。於二零零五年並無召開任何會議。

薪酬委員會之主要職務為確保本公司之薪酬系統獲得遵守。其就本公司董事及高級管理人員之薪酬政策及架構，以及就設立正規而具透明度之程序制訂該等薪酬政策，向董事會提出建議。

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。

每名董事有權收取之董事袍金需於本公司每年股東週年大會上提呈予股東批准。就董事之額外職責及服務而應付予彼等之額外薪酬（包括獨立非執行董事之任何諮詢費），將視乎彼等之服務合約而定，惟須經薪酬委員會建議及獲董事會批准。有關董事薪酬之詳情載於財務報表附註 12(a)。有關本集團員工薪酬政策之詳情亦已載於「管理層論述及分析」第 13 頁「僱員」一節內。

### *審核委員會*

審核委員會於二零零零年三月成立，現由三名成員組成，彼等均為獨立非執行董事。審核委員會目前之成員包括賈元平先生（主席）、Edward Hungerford Milward-Oliver 先生及陳石麟先生。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 include supervision on the truthfulness and fairness of the Company's financial statements, the effectiveness and completeness of the Company's internal controls and risk management system, and the monitoring and review of the qualifications, selection and appointment, independence and services of external independent auditors.

Two Committee meetings were held in 2005 and the attendance of each member is as follows:

Committee member 委員會成員		Number of Committee meetings attended 出席委員會會議之次數
Thomas Chia	賈元平	2
Edward Hungerford Milward-Oliver	Edward Hungerford Milward-Oliver	2
Stanley Chan	陳石麟	2

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

- Reviewing the financial reports for the year ended 31 December 2004 and annual results announcement, with a recommendation to the Board for approval;
- Reviewing the external auditors' independence and report, with recommendation to the Board for the re-appointment of the external auditors at the 2005 annual general meeting;
- Reviewing the financial report for the six months ended 30 June 2005 and the interim results announcement, with a recommendation to the Board for approval.

審核委員會之主要角色及職能包括監管本公司財務報表之真實及公平性、本公司內部監控及風險管理系統之效能及完整性，以及監督和審議外聘獨立核數師之資格、選聘、獨立性及服務。

於二零零五年，委員會舉行了兩次會議，各成員之出席情況如下：

於二零零五年舉行之會議上，審核委員會已履行之工作概述如下：

- 審閱及建議董事會批准截至二零零四年十二月三十一日止年度之財務報告及年度業績公佈；
- 檢討外聘核數師之獨立性及審閱其報告，並建議董事會於二零零五年股東週年大會上重新委聘外聘核數師；
- 審閱及建議董事會批准截至二零零五年六月三十日止六個月之財務報告及中期業績公佈。

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

### ACCOUNTABILITY AND AUDIT

#### *Financial Reporting*

The Directors acknowledge their responsibility for preparing 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 (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws 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 have ensured 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 40 and 41.

### 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十所載《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，全體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，本公司亦已於二零零五年六月就若干被視為可能知悉有關本公司或其證券之未刊發股價敏感資料之本公司或其任何附屬公司之僱員買賣本公司之證券，採納標準守則。

### 問責及核數

#### *財務匯報*

董事確認彼等編製本集團財務報表之責任。截至二零零五年十二月三十一日止年度之財務報表已按照香港會計師公會頒佈之香港財務報告準則（當中包括香港會計準則及詮釋），以及適當之法律編製。董事相信彼等已挑選及貫徹應用適當之會計政策，以及作出審慎合理之判斷及估計，並已確保財務報表按持續經營基準編製。

本公司外聘核數師德勤•關黃陳方會計師行（「德勤」）之匯報責任載於「核數師報告」第40及41頁。

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### *Internal Control System*

The Board maintains a sound and effective internal control system to safeguard shareholders' investment and the Company's assets. The internal control system is designed to provide reasonable assurance on the effectiveness and efficiency of operations, reliability of financial and management reporting, and compliance with applicable laws and regulations.

The Directors periodically conduct review of the effectiveness of the system of internal controls, covering all material controls including financial, operational and compliance controls and risk management functions.

### *External Auditors' Remuneration*

During the year and up to the date of this report, the remuneration paid to the Company's external auditors are set out as follows:

#### Services rendered for the Group 向本集團提供之服務

Audit services	審核服務	
Non-audit services:	非審核服務：	
– Taxation and professional services	– 稅項及專業服務	139
– Other professional services	– 其他專業服務	—
Total:	總計：	1,336

### 內部監控系統

董事會維持穩健而有效之內部監控系統，以保障股東之投資及本公司之資產。內部監控系統之設計，乃就有效率及有成效之運作、可信之財務及管理匯報以及符合適用之法例及規例，提供合理保證。

董事定期審查內部監控系統，有關審查涵蓋所有重大監控，包括財務、營運及監管控制以及風險管理職能。

### 外聘核數師之酬金

於年內及截至本報告日期，已付本公司外聘核數師之酬金載列如下：

#### Fees paid/payable to external auditors 已付或應付外聘核數師之費用 HK\$'000 千港元

1,197
139
—
<u>1,336</u>



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## 企業管治報告

### 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 AGMs and personally chairs the meetings to answer questions from shareholders. A separate resolution is proposed by the Chairman in respect of each item of formal business to be voted on at an AGM. Information 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 details.

On behalf of the Board

**Peter Francis AMOUR**  
*Chairman*

24 April 2006

### 與股東之溝通

董事會深明與股東保持良好溝通乃十分重要。有關本集團之資料乃按時經由多種正規途徑向股東(包括中期及年度報告、公佈及通函等)傳達。該等公佈文件連同最近期之公司資料及消息，均在本公司之網站上可供查閱。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席積極參與並親身主持股東週年大會以答覆任何股東之查詢。主席會就每項在股東週年大會上投票之事項提呈個別決議案。有關資料於股東週年大會舉行至少二十一天前發送予全體股東，當中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。

代表董事會

**區沛達**  
*主席*

二零零六年四月二十四日