

企業管治報告 Corporate Governance Report

企業管治常規

本公司董事會（「董事會」）負責確保維持高質素之企業管治，並對股東負責。於截至二零零五年十二月三十一日止年度，本公司已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治常規守則》（「守則」）之原則，並遵循守則之所有適用守則條文，惟以下偏離事項除外：

1. 守則條文A.4.1

根據守則之A.4.1守則條文，非執行董事的委任應有指定任期，並須接受重新選舉。然而，全體獨立非執行董事均無指定任期，而須根據本公司之公司細則條文於本公司之股東週年大會上輪流退任及接受重新選舉。本公司認為已採取足夠措施，確保本公司之企業管治常規不比守則所訂者寬鬆。

2. 守則條文B.1.4及C.3.4

根據守則之B.1.4及C.3.4守則條文，發行人之薪酬委員會及審核委員會應在有人要求時公開其職權範圍以及將資料登載於發行人之網站上。

由於本公司仍有待設立本身之網站，因此未能達到上述將有關資料登載於網站之要求。然而，兩個委員會將在有人要求時公開其職權範圍。

董事會將定期審閱及批准本公司之企業管治常規及標準，按照不斷改進之標準評估本公司之企業管治常規，以適應日新月異的環境及需求，務求持續提升本公司之企業管治。

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") is responsible for ensuring high standards of corporate governance are maintained and for accounting to shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31st December, 2005, except for the following deviations:

1. Code Provision A.4.1

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's Bye-laws. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

2. Code Provisions B.1.4 and C.3.4

Under the code provisions B.1.4 and C.3.4 of the Code, the issuer should make available the terms of reference of its remuneration committee and audit committee on request and by including the information on the issuer's website.

Since the Company has not yet established its own website, the above requirement regard to provide such information on website cannot be met accordingly. However, the terms of reference of the two committees are available on request.

The Board will periodically review and improve the corporate governance practices and standards of the Company with a view to continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

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董事之證券交易

本公司已就本公司董事買賣證券，採納載於上市規則附錄十有關上市發行人董事進行證券交易的標準守則（「標準守則」）。在本公司作出特定查詢後，董事會所有成員已確認彼等於截至二零零五年十二月三十一日止年度內，一直遵守標準守則所載之標準要求。標準守則亦適用於本集團其他指定高級管理層。

董事會

董事會代表本公司股東管理本公司事務。董事會成員須盡可能提高投資回報及本公司的長期價值。

董事會由三位執行董事及三位獨立非執行董事組成。除本公司主席向華強先生為副主席陳明英女士之丈夫外，董事會成員之間並無關係。董事姓名及履歷詳情載於年度報告第12及13頁「董事及高級管理人員簡介」一節。此外，一位獨立非執行董事擁有適當的專業會計資格及財務管理專長。

董事會包括均衡組合，有執行董事與非執行董事（包括獨立非執行董事），能使董事會具有一定獨立性，能夠有效作出獨立判斷，以及使非執行董事有足夠能力及人數，使他們的意見具影響力。

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之書面年度確認。本公司認為所有獨立非執行董事均具獨立性。在所有公司信函中，均明確表明獨立非執行董事之身份。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31st December, 2005. The Model Code also applies to other specified senior management of the Group.

BOARD OF DIRECTORS

The Board represents shareholders of the Company in managing the Company's affairs. Members of the Board are expected to maximize the investment return and the Company's long-term value.

The Board comprises three executive directors and three independent non-executive directors. There is no relationship between members of the Board except that Mr. Heung Wah Keung, the Chairman, is the husband of Ms. Chen Ming Yin, Tiffany, the Vice Chairman of the Company. The names, biographical details of the directors are set out in the "Profiles of Directors and Senior Management" on pages 12 and 13 to the annual report. In addition, one of the independent non-executive directors possesses appropriate professional accounting qualifications and financial management expertise.

The Board includes a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is an independent element on the Board, which can effectively exercise independent judgment, and that non-executive directors should be of sufficient caliber and number for their views to carry weight.

The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 to the Listing Rules. The Company considers all of the independent non-executive directors are independent. The independent non-executive directors are explicitly identified in all corporate communications.

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儘管董事會在履行其職責中始終完全負責指引及監督本公司，但若干責任乃授予董事會的各個常務委員會，包括財務委員會、審核委員會、提名委員會及薪酬委員會，以及本公司副主席及高級管理層。

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various standing committees of the Board including Finance Committee, Audit Committee, Nomination Committee and Remuneration Committee, and the Vice Chairman and the senior management of the Company.

保留予董事會之決策類別包括：

The types of decisions which are reserved to be taken by the Board include:

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| <p>1. 與本公司大股東或董事之利益衝突有關之事項；</p> | <p>1. matters relating to conflict of interest for a substantial shareholder or a director of the Company;</p> |
| <p>2. 制定本公司與整體策略方向及策略計劃有關的政策、主要業務及財務目標、股息政策，或訂立涉及重大資本獲取或支出之合約；</p> | <p>2. formulation of the Company's policies relating to the overall strategic direction and strategic plans, key business and financial objectives, dividend policy or entering into contracts involving significant capital acquisition or expenditure;</p> |
| <p>3. 就年度營運及資本支出預算進行財務控制、監察及風險管理；本公司的財務報告、公佈的報告、股價敏感公告之披露及上市規則或其他規例要求的其他披露；</p> | <p>3. financial controls, compliance and risk management for the approval of annual operating and capital expenditure budgets, the Company's financial statements, published reports, price-sensitive announcements and other disclosure required under the Listing Rules or other statutory requirements;</p> |
| <p>4. 本公司資本架構變動，包括股本減少、股份購回或新證券發行；</p> | <p>4. changes to the Company's capital structure, including reductions of share capital, share buy-backs or issue of new securities;</p> |
| <p>5. 董事會、副主席、本公司財務總監、公司秘書及外部核數師之重大委任或罷免；</p> | <p>5. major appointments or removal to the Board, the Vice Chairman, the Company's chief financial officer, company secretary and external auditors;</p> |
| <p>6. 董事會任何委員會之職權範圍或授予副主席及高級管理層之權限的變動；</p> | <p>6. changes to the terms of reference or membership of any committee of the Board and the authority delegated to the Vice Chairman and the senior management;</p> |
| <p>7. 超出副主席及高級管理層權限的事項；以及</p> | <p>7. matters exceed the authorities of the Vice Chairman and the senior management; and</p> |
| <p>8. 採納、審閱及批准由本集團董事及其他指定管理人員訂立之本公司企業管治常規手冊、道德與證券交易守則，以及集團法律政策（如有）及集團制度監控及風險管理政策。</p> | <p>8. the adoption, review and approval of changes of the Corporate Governance Practice Manual of the Company, the Code of Ethics and Securities Transactions entered into by the directors and other specified senior management of the Group, group legal policy (if any) and group system control and risk management policy.</p> |

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年內，董事會舉行十五次全體會議（其中四次為定期季度會議），各董事的出席詳情如下：

During the year, fifteen full board meetings (of which four were regular board meetings) were held and the individual attendance of each director is set out below:

董事姓名 Name of director	出席董事會會議次數 Number of board meetings attended	出席率 Attendance rate
向華強 Heung Wah Keung	15	100%
陳明英 Chen Ming Yin, Tiffany	15	100%
李玉嫦 Li Yuk Sheung	15	100%
洪祖星 Hung Cho Sing	12	80%
何偉志 Ho Wai Chi, Paul	13	87%
馮浩森 Fung Ho Sum	10	67%

本公司董事負責根據有關法定要求及現行適用會計準則，編製並及時刊發真實及公平反映本集團財務狀況本集團之財務報表。本公司董事亦負責選擇及始終應用適當會計政策，並確保及時採納香港會計準則及香港財務匯報準則。

The directors of the Company are responsible for the preparation of financial statements of the Group which give a true and fair view, and are prepared in accordance with the relevant statutory requirements and applicable accounting standards in force, and are published in a timely manner. The directors of the Company are also responsible for selecting and applying on a consistent basis suitable accounting policies and ensuring timely adoption of Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards.

本公司董事確認其編製本公司財務報表之責任，並欣然報告，本公司已按上市規則要求，於有關期間結束後及時公佈其年度及中期業績。

The directors of the Company acknowledge their responsibility for preparing the financial statements of the Company and report that the Company has announced its annual and interim results in a timely manner after the end of the relevant period, as laid down in the Listing Rules.

本公司核數師就其報告責任作出之聲明載於年度報告第30及31頁「核數師報告」內。

A statement by the auditors of the Company about their reporting responsibilities is set out in the "Auditors' Report" on pages 30 and 31.

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主席及副主席

主席與副主席之職責分離，並不由同一人同時兼任，以確保董事會有明確責任分擔，達致權力及權限的平衡。

主席負責領導董事會，確保董事會有效運作，及確保向公眾傳達董事會的意見。在履行此項職責時，主席的責任包括主持董事會會議；確保董事會會議收到有關本公司事務之準確、完整、及時且清晰的資料；確保執行董事與非執行董事之間保持有益的關係；安排就提呈董事會考慮的問題進行討論及作出決定；確保所有董事均適當聽取董事會會議提出的事項之簡報；作為董事會與管理層之間的聯絡人；與副主席及公司秘書或其代表商議，草擬及批准每次董事會會議的議程，在適當情況下考慮其他董事提議納入議程的任何事項；以及至少每年與非執行董事（包括獨立非執行董事）在執行董事不出席的情況下舉行會議。

副主席主要負責建議政策及策略方向，供董事會批准；以及實施董事會採納的策略及政策，及執行本公司之日常營運。

非執行董事之任期

上市規則附錄十四之守則條文A.4.1條要求非執行董事的委任應有指定任期，並須接受重新選舉。本公司獨立非執行董事均無指定任期，惟須根據本公司之公司細則條文至少每三年輪流退任一次及接受重新選舉。本公司之公司細則修訂於二零零五年六月二十九日舉行的本公司股東週年大會上批准，據此，每位董事須至少每三年輪流退任一次。因此，本公司認為已採取足夠措施遵照本守則條文。每位非執行董事之酬金為每年120,000港元。

CHAIRMAN AND VICE CHAIRMAN

The roles of Chairman and Vice Chairman are separate and not performed by the same individual to ensure that there is a clear division of responsibilities at the board level to entail a balance of power and authority.

The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for ensuring communication of the views of the Board to the public. In performing this role, the Chairman's responsibilities include chairing meetings of the Board; ensuring the board meetings receive accurate, complete, timely and clear information concerning affairs of the Company; ensuring constructive relations between executive and non-executive directors; formulating for discussion and decision, questions which have been moved for the consideration of the Board; ensuring that all directors are properly briefed on issues arising at board meetings; acting as liaison between the Board and management; in consultation with the Vice Chairman and the company secretary or his/her designated delegates, drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda; and at least annually hold meetings with non-executive directors (including independent non-executive directors) without the presence of the executive directors.

The Vice Chairman is primarily responsible for recommending policy and strategic directions for Board approval; implementing the strategies and policies adopted by the Board; and conducting the day-to-day operation of the Company.

TERMS OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term and should be subject to re-election. The independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company's Bye-laws. Amendment to the Bye-laws of the Company was approved by the shareholders at the annual general meeting of the Company held on 29th June, 2005 whereby every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision. Each of the non-executive directors has remunerated at HK\$120,000 per year.

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薪酬委員會

二零零五年八月三十一日，本公司根據守則條文B.1.1條設立具有成文職權範圍的薪酬委員會。薪酬委員會成員包括兩位獨立非執行董事（即洪祖星先生及馮浩森先生）及一位執行董事（即陳明英女士）。陳明英女士為薪酬委員會之主席。薪酬委員會主要負責制訂本集團有關本公司各董事及本集團各高級管理層成員之薪酬政策及架構，並就此向本公司董事會提供建議。薪酬委員會將在有公眾人士要求時公開其職權範圍。

薪酬委員會須每年至少舉行一次會議，或在負責人力資源職能之董事要求時舉行會議。

在釐定應付董事薪酬時，薪酬委員會考慮類似公司支付之薪金、董事之投入時間及責任、集團內其他職位的僱用條件及應否按表現釐訂薪酬等因素。

年內，薪酬委員會舉行一次會議，審閱薪酬政策及本集團員工之薪酬福利。全體委員會成員出席此次會議。

提名委員會

提名委員會成員包括一位執行董事（即向華強先生）及兩位獨立非執行董事（即洪祖星先生及馮浩森先生）。向華強先生為提名委員會之主席。提名委員會將在有公眾人士要求時提供其職權範圍。

提名委員會的主要職能是在考慮獲提名人士之獨立性及質量的前提下，向董事會作出建議，以確保所有提名均公平及透明。

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with written terms of reference in accordance with the code provision B.1.1 on 31st August, 2005. The Remuneration Committee comprises two independent non-executive directors, namely Mr. Hung Cho Sing and Mr. Fung Ho Sum, and an executive director, namely Ms. Chen Ming Yin, Tiffany. Ms. Chen Ming Yin, Tiffany is the chairman of the Remuneration Committee. The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structuring for all remuneration of the directors of the Company and the senior management of the Group. The terms of reference of the Remuneration Committee shall make available to the public on request.

The Remuneration Committee shall meet at least once a year or as requested by the director responsible for human resources function.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

During the year, the Remuneration Committee met once to review the remuneration packages of the staff of the Group. All the committee members attended the meeting.

NOMINATION COMMITTEE

The Nomination Committee comprises one executive director, namely Mr. Heung Wah Keung, and two independent non-executive directors, namely Mr. Hung Cho Sing and Mr. Fung Ho Sum. Mr. Heung Wah Keung is the chairman of the Nomination Committee. The terms of reference of the Nomination Committee shall make available to the public on request.

The main function of the Nomination Committee is, having regard to the independence and quality of nominees, to make recommendations to the Board as to ensure that all nominations are fair and transparent.

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委員會主席的主要責任是與人力資源負責人及提名委員會秘書商議，草擬及批准每次提名委員會會議之議程。主席須在秘書協助下，確保所有成員及時收到足夠資料，以便在提名委員會會議上進行有效討論。主席須在人力資源負責人協助下，向所有成員簡報每次提名委員會會議提出的事項。秘書須在每次會議之後合理時間內，向所有成員分發會議記錄的草案及最終版本，以供評論及存檔，惟須遵守任何限制該等分發或進行該等報告之法律或監管限制。主席須在即將舉行的定期董事會會議上報告任何重要決定，並須向董事會提呈所討論的會議及事項之索引。提名委員會秘書須記錄提名委員會所有妥當召集的會議之記錄。在選擇過程中，提名委員會須考慮行業經驗、專業及教育背景以及投入時間等準則。

本公司之公司細則所載之重選程序規定，每位現任董事須輪流退任，但在每次股東週年大會上，每一位董事須至少每三年退任一次。退任董事有資格重選連任。

年內，董事會並無舉行任何會議以提名任何新董事。

審核委員會

審核委員會成員包括三位獨立非執行董事，即洪祖星先生、何偉志先生及馮浩森先生。何偉志先生為審核委員會主席。審核委員會之構成及成員符合上市規則第3.21條之要求。審核委員會將在有公眾人士要求時公開其職權範圍。

The chair, in consultation with the person responsible for human resources and the secretary of the Nomination Committee, should be primarily responsible for drawing up and approving the agenda for each Nomination Committee meeting. The chair, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Nomination Committee meeting. The chair shall, with the assistance of the person responsible for human resources, brief all members on issues arising at each Nomination Committee meeting. The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Nomination Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports. The chair shall report in the forthcoming regular board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed. The secretary of the Nomination Committee shall record minutes of all duly constituted meetings of the Nomination Committee. In the selection process, the Nomination Committee shall make reference to criteria including experience in the industry, professional and education background and commitment in respect of available time.

The re-election procedure set in the Company's Bye-laws provides that every director shall be subject to retirement by rotation at the annual general meeting at least once every three years. A retiring director shall be eligible for re-election.

During the year, the Board did not have any meeting to nominate any new director for appointment.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Fung Ho Sum. Mr. Ho Wai Chi, Paul is the chairman of the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 to the Listing Rules. The terms of reference of the Audit Committee shall make available to the public on request.

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審核委員會之主要職能是協助董事會監督財務報告制度、風險管理及內部控制程序以及內部及外部核數師職能。審核委員會每年根據審核質量及嚴格程度、所提供之審核服務質量、核數師事務所之質量控制程序、外部核數師與本公司之間的關係以及核數師的獨立性，評核外部核數師之委任。

The main function of the Audit Committee is to assist the Board to oversee the financial reporting system, risk management and internal control procedures and the internal and external audit functions. The Audit Committee annually assesses the appointment of the external auditor, taking into account the quality and rigor of the audit, the quality of the audit service provided, the audit firm's quality control procedures, relationships between the external auditors and the Company, and the independence of the external auditors.

年內，審核委員會舉行四次會議，各成員的出席詳情如下：

During the year, four Audit Committee meetings were held and the individual attendance of each member is set out below:

成員姓名 Name of member	出席會議次數 Number of meetings attended	出席率 Attendance rate
何偉志 Ho Wai Chi, Paul	4	100%
洪祖星 Hung Cho Sing	4	100%
馮浩森 Fung Ho Sum	3	75%

審核委員會已審閱本公司採納之會計原則及政策，並與管理層討論內部控制、財務報告事項以及核數師變動。於二零零五年，審核委員會已選擇及向董事會建議本公司新任外部核數師之委任。董事會同意審核委員會之建議，並通過決議案委任國衛會計師事務所為本公司新任核數師。為監管本公司財務報表之完整程度，審核委員會已在二零零五年中期報告、二零零五年年報及截至二零零五年十二月三十一日止年度之經審核財務報表提交予董事會前審閱該等資料。

The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management the internal controls and financial reporting matters, and change of auditors. During the year 2005, the Audit Committee has selected and recommended to the Board for new appointment of external auditors of the Company. The Board agreed with the recommendation of the Audit Committee and passed the resolution to appoint Messrs. HLB Hodgson Impey Cheng as new auditors of the Company. To monitor the integrity of the financial statements of the Company, the Audit Committee has reviewed the 2005 interim report, 2005 annual report and the audited financial statements for the year ended 31st December, 2005 before their submission to the Board.

企業管治報告 Corporate Governance Report

核數師酬金

年內，本公司聘請國衛會計師事務所僅執行與審核有關之服務。年內所產生之審核費用約838,000港元。

內部監控

董事會負有本公司內部監控及審閱其有效性之整體責任。董事會致力實施有效及健全的內部監控系統，以保障股東利益及本集團資產。董事會已授權執行管理層在訂明的框架內實施內部監控系統及審閱所有有關財務、營運、監察監控及風險管理職能。

本公司正計劃選擇一位獨立顧問定期對本集團的內部監控系統進行審閱。預期獨立顧問將於二零零六年五月獲委任。

與股東之溝通及投資者關係

為提升透明度，本公司努力透過多種通訊渠道與股東及投資者維持持續對話。

本公司亦借助股東週年大會作為與全體股東溝通的途徑。本公司亦努力在其年度報告、中期報告及新聞稿中提供清晰詳盡的表現資料。

AUDITORS' REMUNERATION

During the year, the Company engaged Messrs. HLB Hodgson Impey Cheng to perform audit related services only. Audit fees of approximately HK\$838,000 was incurred for the year.

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework.

The Company is in the course of selecting an independent consultant to conduct review the internal controls systems of the Group on a regular basis. It is expected that the independent consultant will be appointed in May 2006.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

To enhance transparency, the Company endeavours to maintain an on-going dialogue with shareholders and investors through a variety of communication channels.

The annual general meeting is used as an opportunity to communicate with all shareholders. The Company is also committed to providing clear and full performance information in its annual report, interim report and press releases.