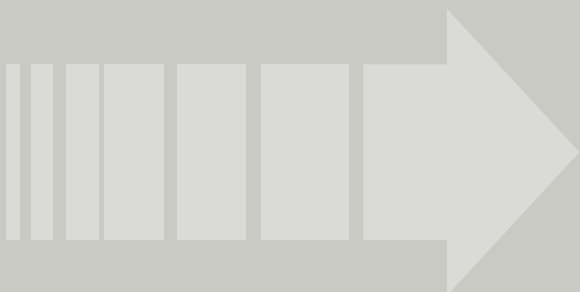




# Seamless Communication 通訊無間

The Group encourages two-way communications with our stakeholders. To ensure a timely delivery of corporate messages, we have established various channels for external communications. We welcome your suggestions and opinions, and endeavour to improve our transparency and communication with our shareholders.

集團設立多個對外溝通的渠道，致力與持份人士作雙向溝通。我們歡迎您的意見及建議，並會努力提高透明度，保持與股東溝通無間。





The Company has always committed to a high standard of corporate governance practices. Great effort has been made to comply with the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited ("SEHK").

## Internal Controls & Risk Management

The Board of Directors and Management emphasise the need to maintain a sound and effective system of internal controls and risk management to safeguard shareholders' investment and the Company's assets.

During the year, the Company has initiated a project to review the internal control. The Company has engaged the external professional advisers to assist in conducting a gap analysis with reference to the COSO (The Committee of Sponsoring Organisations of the Treadway Commission, 1994) internal control framework, in order to assess the internal control system against the five elements of control environment, risk assessment, control activities, communication and monitoring. The Company has also been supported in carrying out the high level risk assessment review on its operations in Hong Kong and its associated key processes and sub-processes. The Company has performed a review on the strategic management, core business and resource management processes along with the high level risk control testing. The review covered all material controls, including financial, operational and compliance controls as well as risk management functions of the Company. Based on the results of the review, the Board is satisfied that the internal control and risk management system of the Company is both adequate and effective. The Company will continue to place great emphasis on the need for good corporate governance and an effective internal control and risk management system in the years to come.

本公司一直致力維持高水平的企業管治常規，並積極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14的企業管治常規守則（「企業管治守則」）所載守則條文。

## 內部監控及風險管理

為保障股東的投資及本公司的資產，董事會及管理層認為有必要維持一個穩當及有效的內部監控及風險管理系統。

年內，本公司開始實施一項檢討內部監控的計劃。本公司已外聘專業顧問，協助本公司參照COSO (The Committee of Sponsoring Organisations of the Treadway Commission, 1994) 內部監控框架，根據監控環境、風險評估、監控活動、溝通及監管等五項要素，以缺口分析對本集團的內部監控系統作出評估。此外，該專業顧問亦協助本公司就香港的營運及有關重要及次要程序，進行高度風險評核。本公司藉此高度風險監控測試，對策略性管理、核心業務和資源管理程序作出檢討。有關檢討涵蓋本公司所有主要的監控範疇，包括財務、營運、法規監控及風險管理職能。根據該檢討的結果，董事會對於本公司充足及有效的內部監控及風險管理系統，均表示滿意。來年，本公司將會竭盡所能，繼續維持優質的企業管治及有效的內部監控和風險管理系統。



## Board of Directors

The Company is led and controlled through the Board of Directors, which is constituted by 2 Executive Directors, 8 Non-executive Directors, including the Chairman of the Board, and 3 Independent Non-executive Directors. The 3 Independent Non-executive Directors have all confirmed in writing to the Company that they meet all the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules.

The Board oversees the overall management and operations of the Company. Major responsibilities include approving the Company's overall business, financial and technical strategies, setting key performance targets, approving budgets and major expenditures, supervising and scrutinising the performance of management.

There is no service contract between the Company and the Non-executive Directors and Independent Non-executive Directors. They have no fixed term of service with the Company but will be subject to rotational retirement and re-election requirement at annual general meetings pursuant to Article 100 of the Articles of Association of the Company. Pursuant to that Article, about one half of the Directors shall retire but may be eligible for re-election at each annual general meeting.

The Board has adopted the Model Code set out in Appendix 10 of the Listing Rules and the Directors have fully complied with it.

The emolument payable to Directors is determined by the Board with reference to the Directors' duties and responsibilities.

## 董事會

本公司由董事會領導及管治。董事會成員包括2位執行董事、8位非執行董事(包括董事會主席)及3位獨立非執行董事。3位獨立非執行董事已向本公司作出書面確認，表示他們已符合上市規則第3.13條所載有關評估其獨立性的所有指引。

董事會負責監察本公司的整體管理及營運。董事會的主要職責，包括批核本公司的整體業務、財務及技術策略；設定關鍵的業績表現目標；批核財政預算與主要開支；以及監督和監察管理層的表现。

本公司沒有跟非執行董事及獨立非執行董事訂立任何服務合約。他們為本公司服務並無固定年期，惟他們將須根據本公司的組織章程細則第100條，於股東週年大會上輪值告退並可被重選連任。根據該細則，董事會內約半數董事需每年輪值告退；但他們若符合資格，可於每屆股東週年大會上膺選連任。

董事會已採納上市規則附錄10的標準守則，所有董事均有全面遵守有關守則。

董事酬金乃董事會按董事的職責而釐定。



## Meetings

Pursuant to relevant provisions of the Articles of the Company, the Board meets regularly for at least four times a year, i.e. at approximately quarterly intervals. In addition, special meetings of the Board will be convened if the situation requires so. During the calendar year of 2006, the Board convened a total of six times and the attendance of the Directors are tabulated as follows:

## 會議

根據本公司章程的相關條文，董事會須每年召開最少四次定期會議，亦即大約每季開會一次。此外，董事會亦會按需要召開特別會議。於二零零六年公曆年間，董事會合共召開六次會議，董事的出席率列表如下：

Name	姓名	Number of meetings held while being a director 任職董事時 召開的會議次數	Number of meetings attended 出席會議次數
<b>Chairman</b>	<b>主席</b>		
Dr. LEE Nai Shee, Harry, S.B.S., J.P.	李乃熺博士，S.B.S., J.P.	6	6
<b>Non-Executive Directors</b>	<b>非執行董事</b>		
Mr. Hubert CHAK	翟迪強先生	6	6
Dr. CHEUNG Yiu Sing	張耀成博士	6	6
Mr. Alistair CURRIE	Alistair CURRIE 先生	6	4
Mr. LAU Kam Kuen, David	劉淦權先生	6	4
Mr. LO Sze Wai, Albert	羅四維先生	6	5
Mr. NG Chik Sum, Jackson	吳植森先生	6	4
Mr. YING Tze Man, Kenneth	英子文先生	6	4
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>		
Mr. HO Lap Kee, Sunny	何立基先生	6	3
Mr. WONG Tin Yau, Kelvin	黃天祐先生	6	3
Mr. YUEN Kam Ho, George <i>Date of appointment: 28/11/2006</i>	袁金浩先生 <i>委任日期：二零零六年十一月二十八日</i>	0	0
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. YUE Kwok Hung, Justin ( <i>Chief Executive Officer</i> )	余國雄先生 ( <i>行政總裁</i> )	6	6
Mr. KO Kai Wai, Kelvin ( <i>Deputy Chief Executive Officer</i> ) <i>Date of appointment: 03/11/2006</i>	高繼維先生 ( <i>副行政總裁</i> ) <i>委任日期：二零零六年十一月三日</i>	1	1
<b>Directors resigned during 2006</b>	<b>二零零六年間辭任的董事</b>		
Dr. FONG Ching, Eddy <i>resigned as an Independent Non-executive Director on 20/10/2006</i>	方正博士 <i>於二零零六年十月二十日 辭任獨立非執行董事</i>	5	4
Ms. CHUNG Shun Kwan, Emily <i>resigned as an Executive Director on 03/11/2006</i>	鍾順群女士 <i>於二零零六年十一月三日 辭任執行董事</i>	5	5



## Directors' and Auditors' Responsibilities for the Accounts

The management provides the explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgements and estimates made are prudent and reasonable. In preparing the financial statements for the year ended 31 December 2006, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws were complied with.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as going concern. The Board has prepared the financial statements on a going concern basis.

The reporting responsibilities of external auditors of the Group are disclosed in "Report of the Auditors".

## 董事與核數師就財務報表須承擔的責任

管理層提呈財務及其他資料予董事會審批時，會提供資料及補充說明，讓董事會在知情的情況下評估該等財務及其他資料。

董事確認有責任編製一份能夠真實而公平地反映集團的事務狀況的財務報表。同時，董事亦負責確保財務報表須選擇及貫徹運用適當之會計政策，有關之判斷及評估亦需審慎合理。本公司於編製截至二零零六年十二月三十一日止年度之財務報表時，採納了香港公認的會計準則，並遵守了香港會計師公會頒布之《香港財務報告準則》之要求及適用的法例。

董事會並不知悉有任何事件或情況存有重大不明朗因素，會導致集團持續經營的能力出現問題。董事會已採用持續經營基準編製財務報表。

本集團外聘核數師的報告責任，於「核數師報告書」內披露。



## Committees of the Board

The Board has established the following committees: the Audit Committee, the Remuneration Committee and the Nomination Committee.

### Audit Committee

The Audit Committee consists of 3 Non-executive Directors; 2 of them are Independent Non-executive Directors.

- Mr. WONG Tin Yau, Kelvin (*appointed as the Chairman on 28/11/2006*)
- Mr. Hubert CHAK
- Mr. YUEN Kam Ho, George (*appointed on 28/11/2006*)
- Dr. FONG Ching, Eddy, S.B.S., J.P. (*resigned as a member and the Chairman on 20/10/2006*)

The Audit Committee oversees the overall financial reporting process as well as the adequacy and effectiveness of the Company's internal control. In addition, it is responsible for making recommendations to the Board for the appointment, reappointment or removal of the external auditor. It also reviews and monitors the external auditor's independence and objectivity as well as the effectiveness of the audit process to make sure that it is in full compliance with applicable standards.

### Report of Audit Committee

In 2006, the Audit Committee met four times. In addition to reviewing and approving the various audit plans and audit reports prepared by the Internal Audit Department of the Company, it has also reviewed the interim and annual financial reports of the Company.

### Auditors' Remuneration

During 2006, the audit and non-audit fees payable/paid to KPMG was made up of an audit fee of HK\$0.6 million (2005: HK\$0.4 million) and a non-audit related service fee of HK\$0.3 million (2005: HK\$1.2 million). The latter included taxation service and professional service, and the 2005 figure also included services for the issuance of new shares.

## 董事會委員會

董事會已成立以下三個委員會：審核委員會、薪酬委員會及提名委員會。

### 審核委員會

審核委員會由3位非執行董事組成，其中2位為獨立非執行董事。

- 黃天祐先生(於二零零六年十一月二十八日獲委任為主席)
- 翟迪強先生
- 袁金浩先生(於二零零六年十一月二十八日獲委任)
- 方正博士 · S.B.S. · J.P. (於二零零六年十月二十日辭任成員兼主席)

審核委員會監察公司的整體財務報告程序及內部監控步驟是否充足有效。此外，審核委員會亦負責就委任、重新委任或撤換外聘核數師，向董事會作出推薦建議；審核委員會同時檢討和監督外聘核數師是否獨立、客觀，以及審核程序是否有效，藉此確保審核程序乃全面遵照適用的準則。

### 審核委員會報告

於二零零六年，審核委員會召開了四次會議。除審閱及批核本公司內部核數部門編製的各項核數計劃及核數報告外，審核委員會亦審閱了本公司的中期及年度財務報告。

### 核數師酬金

於二零零六年，本集團應付/已付畢馬威會計師事務所的總費用，包括核數費用港幣600,000元(二零零五年：港幣400,000元)及非核數服務費港幣300,000元(二零零五年：港幣1,200,000元)，後者包括稅項服務及專業服務，後者二零零五年的數目亦包括發行新股份的服務費。





## Committees of the Board *(continued)*

### Remuneration Committee

The Remuneration Committee consists of 3 Non-executive Directors; 2 of them are Independent Non-executive Directors.

- Mr. WONG Tin Yau, Kelvin (Chairman)
- Dr. LEE Nai Shee, Harry, S.B.S., J.P.
- Mr. HO Lap Kee, Sunny

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management.

The remuneration of Directors is determined by the Board based on the advice of the Remuneration Committee with reference to their responsibilities with the Company. During the year, the Remuneration Committee convened two times and made recommendations to the Board regarding the remuneration policy of the Company.

## 董事會委員會 *(續)*

### 薪酬委員會

薪酬委員會由3位非執行董事組成，其中2位為獨立非執行董事。

- 黃天祐先生(主席)
- 李乃熺博士，S.B.S.，J.P.
- 何立基先生

薪酬委員會負責就本公司的董事及高級管理層的薪酬政策及架構，向董事會提出推薦建議。

薪酬委員會根據董事於公司的職責，向董事會作出提議，再由董事會決定董事的酬金。年內，薪酬委員會召開了兩次會議，並就本公司的薪酬政策，向董事會提出建議。



## Committees of the Board *(continued)*

### Nomination Committee

The Nomination Committee consists of 3 Non-executive Directors; 2 of them are Independent Non-executive Directors.

- Mr. HO Lap Kee, Sunny (Chairman)
- Dr. LEE Nai Shee, Harry, S.B.S., J.P.
- Mr. YUEN Kam Ho, George (*appointed on 28/11/2006*)
- Dr. FONG Ching, Eddy, S.B.S., J.P. (*resigned on 20/10/2006*)

The main duty of the Nomination Committee is to review the structure, size and composition of the Board and to select suitable Board members.

The selection of individuals to become Directors is based on assessment of their professional qualifications and experience. During the year, the Nomination Committee met two times to discuss matters related to the appointment of Board members.

## 董事會委員會 *(續)*

### 提名委員會

提名委員會由3位非執行董事組成，其中2位為獨立非執行董事。

- 何立基先生(主席)
- 李乃熿博士，S.B.S.，J.P.
- 袁金浩先生(於二零零六年十一月二十八日獲委任)
- 方正博士，S.B.S.，J.P.(於二零零六年十月二十日辭任)

提名委員會的主要職責，是檢討董事會的架構、規模及組合，並甄選合適的董事會成員。

本公司就個別人士的專業資格及經驗而揀選董事。年內，提名委員會共召開兩次會議，商討有關委任董事會成員的事宜。