



Reports and  
Financial Statement

報告及  
財務報表

# Corporate Governance Report

## 企業管治報告

### Corporate Governance Practices

The Board of Directors of the Company (the "Board") recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. Accordingly, the Company implemented additional measures to comply with the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") since its listing on the Stock Exchange on 4th October 2006.

To the knowledge of the Directors and save as disclosed herein, the Directors consider that the Company has applied the principles of the CG Code and to certain extent, of the recommended best practices thereof and are not aware of any non-compliance with the code provisions in the CG Code for the period from the date of listing on 4th October 2006 to 31st December 2006 (the "Reviewed Period").

### Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the Model Code by the Directors during the Reviewed Period.

### Board of Directors

The composition of the Board and the biographical details of the Directors are set out in the Report of the Directors and also Directors and Senior Management sections of this annual report respectively. During the Reviewed Period, the Board held one meeting at which all Directors were present.

### 企業管治守則

本集團董事認為在本集團管理架構及內部監控程序引進良好企業管治元素乃非常重要，藉以達致有效的問責性。因此，本公司於二零零六年十月四日在香港聯合交易所有限公司上市後，已實施措施以附合聯交所證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治守則」）。

就董事所知及除此披露者外，董事認為本公司已採納企業管治守則之原則及若干程度之建議最佳常規，亦不察覺於二零零六年十月四日至二零零六年十二月三十一日止期內（「回顧期內」）有任何不遵守企業管治守則之守則條文。

### 董事之證券交易

本公司已就董事之證券交易，採納了上市規則附錄十所載之標準守則（「標準守則」）。本公司在向全部董事作出特定查詢後，並不察覺於回顧期內，有任何董事不遵守標準守則。

### 董事會

董事會之組成及董事簡短個人資料已分別載於此年報內之董事會報告以及董事及高級管理層部份。於回顧期內，董事會舉行了一次會議，該次會議全體董事均有出席。

The Board is responsible for overseeing and directing overall strategy and management of the Company, supervising and monitoring the Group's major corporate matters and evaluating the performance of the Group. The Board established on 20th December 2006 the Executive Committee which can exercise the powers delegated by the Board pursuant to the written terms of reference, except the powers to approve major issues and reserved matters, such as acquisition and disposal, connected transactions which are reserved by the Board. The management is responsible for day-to-day management of the Company under the leadership of the Chief Executive Officer.

The Company has received the annual confirmation of independence from all the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules and considered them independent to the Group.

Following the resignation of Mr. YAN Cheuk Yam ("Mr. Yan") as an Independent Non-executive Directors with effect from 28th February 2007 due to his joining to the Group with effect from 1st March 2007, the Board has two Independent Non-executive Directors and will appoint an Independent Non-executive Director to fill Mr. Yan's vacancy.

Save as disclosed in the Directors and Senior Management section and to the best knowledge of the Directors, the Board is not aware of any financial, business, family or other material/relevant relationships among the board members.

### Chairman and Chief Executive Officer

The Company has two different persons for the posts of the Chairman of the Board and Chief Executive Officer. The Chairman of the Board, Mr. CHAN Pak Chung, chairs all the board meetings and general meetings. He is also responsible for the overall business strategy of the Group. The Chief Executive Officer of the Company, Ms. CHAN Yuen Shan, Clara, is responsible for the overall management and daily operations of the Group, developing and implementing company policies and procedures, negotiating with suppliers and customers on major contracts and formulating pricing strategies to respond market changes.

董事會負責監察及指導本公司整體策略與管理、指引及監控集團之重要企業事宜、評估集團之表現。董事會於二零零六年十二月二十日成立了執行委員會，除董事會保留如收購及出售、關聯交易等重大事宜及保留事宜之批准權力，該執行委員會可根據書面職權範圍行使董事會授予之權力。管理層在行政總裁領導下負責本公司日常管理。

本公司根據上市規則第3.13條收到全部獨立非執行董事之年度確認書，認為彼等與本集團為獨立。

自甄焯欽先生（「甄先生」）因於二零零七年三月一日加入本集團而於二零零七年二月二十八日辭任本公司之獨立非執行董事一職起，董事會擁有兩位獨立非執行董事，董事會將委任一位獨立非執行董事填補甄先生之空缺。

除董事及高級管理層部份所載外，就董事所知，董事會不察覺董事之間任何財務、業務、家屬或其他重大／相關的關係。

### 主席及行政總裁

本公司之董事會主席及行政總裁之職由兩位不同人士擔任。董事會主席-陳伯中先生主持全部董事會及股東大會。彼亦負責本集團的整體業務策略。本公司之行政總裁-陳婉珊女士負責本集團的整體管理及日常營運，制訂及實施公司政策及程序，與供應商及客戶磋商主要合約，以及制訂定價策略，以應對市場轉變。

### Non-executive Directors

Each of the Non-executive Director and Independent Non-executive Directors entered into an appointment letter with the Company for a term of two years commencing from 4th October 2006.

### Remuneration of Directors

The Company established the Remuneration Committee on 15th September 2006 with written terms of reference. The primary duties of the Remuneration Committee included reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the share option scheme. The Remuneration Committee has three members comprising Mr. CHAN Pak Chung, Mr. CHUNG Wai Kwok, Jimmy and Mr. LEUNG Kwok Keung, two of which are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr. CHAN Pak Chung. During the Reviewed Period, the Remuneration Committee held one meeting and all the Remuneration Committee members were present. The Remuneration Committee discharged its duties by reviewing the remuneration packages of Executive Directors during the Reviewed Period.

### Nomination of Directors

The Company established the Nomination Committee on 15th September 2006 with written terms of reference. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the Board succession. The Nomination Committee has three members comprising Mr. CHAN Pak Chung, Ms. MA Siu Tao and Mr. LEUNG Kwok Keung, one of whom is an Independent Non-executive Director. Nomination Committee did not convene any meeting during the Reviewed Period since no nomination was required to be made.

### Auditor's Remuneration

The remuneration of the audit services rendered by the auditor of the Company were mutually agreed in view of the scope of services and the audit fee for 2006 was approximately HK\$1.1 million. In addition, the auditor of the Company also provided professional services in respect of the Company's listing and professional advices to the Group on the risk management and tax issues in 2006 and the fees were approximately HK\$4.2 million and HK\$855,000 respectively.

### 非執行董事

全部非執行董事及獨立非執行董事與本公司訂立委任函件，任期自二零零六年十月四日起計兩年。

### 薪酬委員會

本公司於二零零六年九月十五日成立薪酬委員會，並制訂其書面職權範圍。薪酬委員會的主要職責包括審閱薪酬待遇、決定發放花紅及考慮根據購股權計劃授出購股權。薪酬委員會由陳伯中先生、鍾維國先生及梁覺強先生三位成員組成，其中兩位為獨立非執行董事。薪酬委員會主席為陳伯中先生。於回顧期內，薪酬委員會舉行了一次會議，該次會議全體成員均有出席。於回顧期內，薪酬委員會已履行其職務，審閱執行董事之薪酬待遇。

### 提名委員會

本公司於二零零六年九月十五日成立提名委員會，並制訂其書面職權範圍。提名委員會主要負責就委任董事及管理本集團董事會的繼任事宜，向本集團董事會提供推薦意見。提名委員會由陳伯中先生、馬笑桃女士及梁覺強先生三位成員組成，其中一位為獨立非執行董事。提名委員會主席為陳伯中先生。於回顧期內，由於並無需要提名，提名委員會並無舉行會議。

### 核數師酬金

核數師提供之審核服務之酬金乃雙方就服務範圍而相互達成，二零零六年之審核費用為約1,100,000港元。此外，本公司之核數師於二零零六年提供了有關本公司上市之專業服務和有關風險管理及稅務事宜之專業意見，費用分別為約4,200,000港元和為約855,000港元。

### Audit Committee

The Company established the Audit Committee on 15th September 2006 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee include the review and supervision of the financial reporting processes and internal control system of the Group. Following the resignation of Mr. Yan, a member of the Audit Committee with effect from 28th February 2007, the Audit Committee comprises Mr. CHUNG Wai Kwok, Jimmy, being the Chairman, and Mr. LEUNG Kwok Keung, both are Independent Non-Executive Directors. The new Independent Non-executive Director to be appointed will also act as a member to the Audit Committee. The Audit Committee held one meeting during the Reviewed Period and all the then Audit Committee members were present.

During the Reviewed Period, the Audit Committee discharged its duties by reviewing the financial matters, financial statements, and internal control of the Group, discussing with Executive Directors and the auditor of the Company, and making recommendations to the Board.

### Preparation of Financial Statements

The Directors acknowledge their responsibility for preparing consolidated financial statements of the Group for 2006 (the "2006 Financial Statements") and the auditor of the Company also set out their reporting responsibilities on the 2006 Financial Statements in its Independent Auditor's Report of the annual report.

### Internal Control

The Board acknowledged its responsibility for reviewing the effectiveness of the internal control system and engaged an external independent consultancy firm to review the internal control of the Group in 2006. Based on the report submitted by the said consultancy firm, the Group has implemented appropriate action to improve the internal control system.

### Sufficiency of Public Float

Based on the information that is publicly available and within the knowledge of the Directors, the Company maintained sufficient public float for the Reviewed Period.

### 審核委員會

本公司於二零零六年九月十五日成立審核委員會，並按企業管治常規守則的規定制訂其書面職權範圍。審核委員會的主要職責包括檢討及監督本集團財務申報程序以及內部監控制度。於甄先生自二零零七年二月二十八日辭任審核委員會成員後，審核委員會的成員有鍾維國先生及梁覺強先生，兩位成員均為獨立非執行董事，並由鍾維國先生擔任主席。將新被委任為獨立非執行董事將會出任審核委員會之成員。於回顧期內，審核委員會舉行了一次會議，當時全體成員均有出席該次會議。

於回顧期內，審核委員會已履行其職務，審閱本集團財務事宜、財務報表及內部監控，與執行董事及核數師洽談，以及向董事會作出建議。

### 編製財務報表

董事承認彼等編製本集團二零零六年綜合財務報表（「二零零六年財務報表」）之責任，核數師就其對於二零零六年財務報表之申報責任已載於年報內之獨立核數師報告內。

### 內部監控

董事承認彼等審查內部監控系統之有效性之責任，並已在二零零六年聘用獨立顧問公司審查集團之內部監控系統。根據該獨立顧問公司提交之報告，本集團已執行合適行動以改善內部監控系統。

### 足夠公眾持股量

基於公開予本公司取得之資料及就董事所知，本公司於回顧期內保持足夠之公眾持股量。