

## Corporate Governance Report 企業管治報告

The Group is committed to maintaining a high level of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

### CODE ON CORPORATE GOVERNANCE PRACTICES

In the light of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange which came into effect on 1 January 2005, the Board has reviewed the corporate governance practices of the Company with the adoption and improvement of the various procedures and documentation which are detailed in this report. The Company has adopted and complied with the code provisions of the CG Code during the year ended 31 December 2006, except for certain deviations as specified with considered reasons for such deviations as explained in this corporate governance report.

### THE BOARD

The Board currently comprises seven Directors and its composition is set out as follows:

#### Executive Directors:

Hong Tianzhu (*Chairman and Chief Executive Officer*)  
Zhu Yongxiang  
Tang Daoping  
Gong Zhao

#### Independent Non-Executive Directors ("INEDs"):

Zhu Lanfen  
Cheng Longdi  
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING),  
ACA, FTIHK, FHKIoD

The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 28 to 31.

The Company has three INEDs representing more than one-third of the Board. At least one of the INEDs has appropriate professional qualifications or 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.

本集團致力於切合實際之範圍內維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

### 企業管治常規守則

根據已於二零零五年一月一日起生效之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」），董事會已審閱本公司之企業管治常規，並已採納及改進多項程序及檔案，詳情載於本報告內。除於本企業管治報告解釋之若干已闡明原因之偏離行為外，於截至二零零六年十二月三十一日止年度，本公司已採納及遵守企業管治守則之守則條文。

### 董事會

董事會目前由七名董事組成，其成員載列如下：

#### 執行董事：

洪天祝（主席及行政總裁）  
朱永祥  
湯道平  
龔照

#### 獨立非執行董事：

朱蘭芬  
程隆棟  
丁良輝 MH, FCCA, FCPA (PRACTISING), ACA,  
FTIHK, FHKIoD

董事之履歷詳情載於第28至31頁之「董事及高級管理層」一節內。

本公司之三名獨立非執行董事佔董事會人數多於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。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具備上市規則第3.13條所載之指引下之獨立性。

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### THE BOARD (Continued)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year, four Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

### 董事會 (續)

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行四次董事會會議，各董事之出席情況如下：

**Number of  
Board meetings  
attended/held**  
出席／舉行董事會  
會議次數

<b>Executive Directors:</b>	<b>執行董事：</b>	
Hong Tianzhu (Chairman and Chief Executive Officer)	洪天祝 (主席及行政總裁)	4/4
Zhu Yongxiang	朱永祥	4/4
Tang Daoping	湯道平	4/4
Gong Zhao	龔照	4/4
<b>Independent Non-Executive Directors ("INEDs"):</b>	<b>獨立非執行董事：</b>	
Zhu Lanfen	朱蘭芬	4/4
Cheng Longdi	程隆棣	4/4
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD	丁良輝 MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD	4/4

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, investment plans, annual and interim results, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

經董事會決定或考慮之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

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### THE BOARD (Continued)

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. 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 normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such 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. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct ("the Securities Code") regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

A copy of the Securities Code is sent to each Director of the Company first on his appointment and thereafter twice annually, one month before the date of the Board meetings to approve the Company's half-year result and annual result, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, Directors are required to notify Mr Hong Tianzhu or Mr Zhu Yongxiang or a director (other than himself/herself) designated by the Board for the specific purpose ("Designated Director") and received a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

### 董事會 (續)

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議（及就可行情況下，其他董事會會議）前三天發呈全體董事。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，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

每位董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

### 董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則（「證券守則」），條款不遜於上市規則附錄10上市公司董事進行證券交易的標準守則所載之標準守則。

證券守則之副本已於本公司每名董事首次獲委任時，及其後每年兩次（於批准本公司半年業績及全年業績而召開之董事會會議日期前一個月）送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據證券守則進行。

根據證券守則，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事（「指定董事」）（除該董事本身外），並接獲該指定董事發出具有日期之書面確認。

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### DIRECTORS' SECURITIES TRANSACTIONS (Continued)

During the year, the Company, having made specific enquiry on all the Directors, confirms that all its Directors have complied with the Securities Code.

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr Hong Tianzhu is the both chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly, approximately every three months, to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr Hong Tianzhu and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

In December 2005, the Board has established and adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Board shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an 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. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

### 董事進行之證券交易 (續)

年內，本公司經向全體董事作出特定查詢後，確認所有董事已一直遵守證券守則。

### 主席及行政總裁之角色

企業管治守則的守則條文第A.2.1條規定主席及行政總裁之角色應為獨立，不應由同一人兼任。洪天祝先生為本公司之主席兼行政總裁。董事會認為此架構不會損害權力之平衡，而董事會之運作可確保其權限，董事會由極具經驗及高才幹之人士組成，約每三個月進行一次定期會議，商討影響本公司運作之事宜。董事會相信，此架構對強大及持續之領導具建設性，讓本集團能迅速及有效地作出及落實決策。董事會對洪天祝先生充滿信心，相信洪先生獲委任為主席兼行政總裁，有利於本公司之業務發展。

### 董事之委任及重選

於二零零五年十二月，董事會已設立並採納一套以書面列載之提名程序（「提名程序」），具體列明本公司董事候選人之挑選及推薦程序及準則。董事會應以提名程序所載之該等準則（如恰當資歷、個人專長及投放時間等）作為基礎向董事會物色及建議人選以予批准委任。

新董事在獲委任後將會取得一套入職資料文件，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告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

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### APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

Each of Messrs. Ting Leung Huel Stephen, Cheng Longdi and Zhu Lanfen has been appointed as an independent non-executive Director for an initial term of one year commencing from 21 November 2004 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. The Company has paid an annual director's fee of HKD72,000 to each of Ms. Zhu Lanfen and Professor Cheng Longdi and HKD168,000 to Mr. Ting Leung Huel Stephen for the year ended 31 December 2006. Save for directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

### BOARD COMMITTEES

The Board has established a Remuneration Committee and an 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 pages 17 to 19 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

#### Remuneration Committee

The Company has established a Remuneration Committee, which comprises three independent non-executive directors of the Company, namely Mr Ting Leung Huel, Stephen, Ms Zhu Lanfen and Mr Cheng Longdi and the chairman of the Company, namely Mr Hong Tianzhu. The chairman of the Remuneration Committee is Mr. Ting Leung Huel, Stephen. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. 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.

### 董事之委任及重選 (續)

丁良輝先生、程隆棣先生及朱蘭芬女士已獲委任為獨立非執行董事，首任年期為一年，由二零零四年十一月二十一日開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。本公司已截至二零零六年十二月三十一日止年度分別支付年度董事袍金72,000港元予朱蘭芬女士及程隆棣教授及168,000港元予丁良輝先生。除董事袍金外，並無任何獨立非執行董事預期可就擔任其獨立非執行董事的職位收取任何其他酬金。

### 董事委員會

董事會已成立多個委員會，包括薪酬委員會、審核委員會及執行委員會，並以書面具體列明其職權範圍。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，而各委員會需按其決定及建議（倘適合）向董事會匯報。董事會會議之程序及安排（於上文第17至19頁「董事會」一節提述）已按可行情況下在每次委員會會議上採納。

### 薪酬委員會

本公司已成立酬金委員會，該委員會由三名獨立非執行董事組成，包括丁良輝先生、朱蘭芬女士及程隆棣先生及本公司主席洪天祝先生。薪酬委員會主席為丁良輝先生。酬金委員會已採納符合《企業管治守則》守則條文的職權範圍。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。

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### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

The major roles and functions of the Remuneration Committee are:

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| <p>(a) to formulate and make recommendation to the Board on the Group's staff compensation policy and structure for all remuneration of the Directors and senior management of the Group and on the establishment of a formal and transparent procedures for developing policy on such remuneration;</p> <p>(b) to have the delegated responsibility to determine the specific remuneration packages of all Directors and senior management;</p> <p>(c) to make recommendations to the Board of the remuneration of non-executive Directors;</p> <p>(d) notwithstanding (b) above, to review and approve performance-based discretionary bonus for the Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time, and to review the performance against these corporate goals and objectives;</p> <p>(e) in respect of any service agreement to be entered into between any members of the Group and its director or proposed director, to review and provide recommendations to the shareholders of the Company as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;</p> <p>(f) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment;</p> <p>(g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct;</p> <p>(h) to ensure that no director or any of his associates (as defined in the Listing Rules) is included in deciding his own remuneration;</p> <p>(i) to conduct exit interviews with any Director or senior management upon their resignation in order to ascertain the reasons (from remuneration perspective) for his departure.</p> | <p>(a) 就本集團的員工薪酬政策及董事及高級管理層所有酬金的架構向董事會提出建議，並就建立該酬金發展政策的正式及具透明度的步驟提出建議；</p> <p>(b) 受委託有責任釐定所有董事及高級管理層的特定薪酬組合；</p> <p>(c) 就非執行董事的酬金向董事會作出建議；</p> <p>(d) 除上文(b)外，檢討及批准參考公司目標及董事會不時議決的目的實施按董事及高級管理層表現釐定酌情花紅，檢討此等公司目標及目的下的表現；</p> <p>(e) 就任何本集團任何成員公司與其董事或建議董事簽訂的服務協議，檢討及向本公司股東提供意見，建議服務協議條款是否公平合理，及該服務條款是否符合本公司及整體股東的利益，並就如何投票給予股東建議；</p> <p>(f) 檢討及批准就任何離任或終止委任應付予執行董事及高級管理層的酬金；</p> <p>(g) 檢討及批准有關因行為不當而辭退或罷免董事的酬金協議；</p> <p>(h) 確保並無董事或任何並聯繫人士（定義見上市規則）參與釐定自己的薪酬；</p> <p>(i) 於任何董事或高級管理層辭職之時與其進行離職會面以確定其離職原因（以酬金的角度的角度）。</p> |
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### 董事委員會 (續)

#### 薪酬委員會 (續)

薪酬委員會之主要角色及職能如下：

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### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

The Remuneration Committee shall meet at least once a year. One committee meeting was held in 2006 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the Executive and non-executive Directors and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of Committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	1/1
Hong Tianzhu	洪天祝	1/1
Zhu Lanfen	朱蘭芬	1/1
Cheng Longdi	程隆棟	1/1

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2006. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the Executive Directors, the Company has adopted a share option scheme in November 2004. Details of the share option scheme are set out in the Directors' Report on pages 35 to 39 and note 13 to the financial statements.

#### Audit Committee

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Messrs. Ting Leung Huel, Stephen (Chairman), Zhu Lanfen and Cheng Longdi. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. 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.

### 董事委員會 (續)

#### 薪酬委員會 (續)

薪酬委員會每年須至少召開一次會議。於二零零六年已舉行一次委員會會議，以審議及討論董事之現行薪酬政策及架構，執行董事及非執行董事之薪酬待遇，而各成員之出席情況如下：

除委員會會議外，薪酬委員會亦於二零零六年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零零四年十一月採納一項購股權計劃以吸引、延攬及推動本集團高級行政人員及主要僱員（包括執行董事）。購股權計劃詳情載於董事會報告第35至39頁及財務報表附註13。

#### 審核委員會

審核委員會自二零零四年十一月成立，現有成員為丁良輝先生（主席）、朱蘭芬女士及程隆棟先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合《企業管治守則》守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

## Corporate Governance Report 企業管治報告

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial controls, internal control and risk management systems;
- (g) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system;
- (h) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices;
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

### 董事委員會 (續)

#### 審核委員會 (續)

審核委員會之主要角色及職能:

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該等核數師辭任或辭退該等核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及的本公司年度報告及賬目、中期報告及季度報告（倘編製供刊發之用）的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告（倘編製供刊發之用）呈交董事會之前先行審核；
- (e) 商議就中期審閱及年終審核而產生之任何問題及保留事項，及外聘核數師擬商討之任何事宜；
- (f) 檢討本集團之財務監控、內部監控及風險管理制度；
- (g) 與管理層討論內部控制系統及確保管理層已盡其職責以達至有效內部管理系統；
- (h) 考慮董事會授予內部監控事項之主要調查之任何發現以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。



## Corporate Governance Report 企業管治報告

### BOARD COMMITTEES (Continued)

#### Audit Committee (Continued)

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2006 and the attendance of each member is set out as follows:

Committee member	委員會成員	Number of Committee meetings attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Zhu Lanfen	朱蘭芬	2/2
Cheng Longdi	程隆棣	2/2

During the meetings held in 2006, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditors regarding the final audit of the Group for the year ended 31 December 2005 (the "2005 Final Audit") and for the interim results review for the six months ended 30 June 2006 (the "2006 Interim Review");
- (ii) reviewed the external auditors' report of finding in relation to the 2005 Final Audit and the auditors' report on the connected transactions for the year ended 31 December 2005 where waivers had been granted by the Stock Exchange;
- (iii) reviewed the external auditors' independent review report in relation to the 2006 Interim Review;
- (iv) reviewed the financial reports for the year ended 31 December 2005 and for the six months ended 30 June 2006; and
- (v) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance controls and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

### 董事委員會 (續)

#### 審核委員會 (續)

審核委員會每年須至少召開兩次會議。於二零零六年已舉行兩次委員會會議，而各成員之出席情況如下：

Committee member	委員會成員	Number of Committee meetings attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen	丁良輝	2/2
Zhu Lanfen	朱蘭芬	2/2
Cheng Longdi	程隆棣	2/2

於二零零六年舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零零五年十二月三十一日止年度之年終審核（「二零零五年年終審核」）及截至二零零六年六月三十日止六個月之中期業績審閱（「二零零六年中期審閱」）之核數範圍及費用；
- (ii) 檢討外聘核數師之二零零五年年終審核結果之報告，以及對截至二零零五年十二月三十一日止年度取得聯交所授予豁免之關連交易之核數師報告；
- (iii) 檢討外聘核數師就二零零六年中期審閱之獨立審閱報告；
- (iv) 檢討截至二零零五年十二月三十一日止年度及截至二零零六年六月三十日止六個月之財務報告；及
- (v) 檢討本集團內部控制系統，包括本集團的財務、營運及遵規控制情況及風險管理功能的效率。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

## Corporate Governance Report 企業管治報告

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2006, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditors, Messrs. PricewaterhouseCoopers, are set out in the Auditors' Report on pages 54 and 55.

#### Internal Control

The Board is responsible for maintaining a sound and effective system of internal control. During the financial year under review, the Board has reviewed the effectiveness of the internal control system of the Group through the Audit Committee.

#### External Auditors' Remuneration

During the year, the remuneration payable to the Company's external auditors, Messrs. PricewaterhouseCoopers, is set out as follows:

### 問責及核數

#### 財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。截至二零零六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、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於核數師報告第54及55頁。

#### 內部監控

董事負責維持良好及有效的內部監控系統。於回顧年度，董事會已透過審核委員會檢討本集團的內部監控系統。

#### 外聘核數師之酬金

於年內，應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

Services rendered for the Group	向本集團提供之服務	Payable 應付費用 RMB'000 人民幣千元
Audit services	核數服務	3,516
Non-audit services (including agreed-upon procedures for continuing connected transactions and preliminary announcement of results)	非核數服務 (包括為持續關連交易程序及初步業績公佈所進行的協定程序)	—
Total:	合計:	<u>3,516</u>

## Corporate Governance Report 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.

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 the AGM and personally chairs the meeting to answer any questions from the shareholders. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular 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 information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

### CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome to promote our transparency.

On behalf of the Board

**Hong Tianzhu**  
Chairman

Hong Kong, 18 April 2007

### 與股東之溝通

董事會瞭解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期報告及年報、公佈及通函。

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。主席於股東週年大會上積極回應任何股東之查詢。主席會就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函於股東週年大會舉行至少二十一天前發送予全體股東，該通函載列每項擬提呈決議案之詳情、投票程序（包括要求以投票方式進行表決之程序）及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以投票方式進行表決之程序，及（除要求以投票方式表決外）宣佈就每項決議案已接獲委任代表之贊成及反對之票數。

### 提升企業管治水平

提升企業管治水平並非只為應用及遵守聯交所之企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

代表董事會

**洪天祝**  
主席

香港，二零零七年四月十八日