

Corporate Governance Report

企業管治報告

OVERVIEW

The board of directors of the Company recognizes the importance of and benefit from good corporate governance practices. We believe that improvement in corporate governance not only assists the Company in effective supervision and control on its business operation, but also attracts investment from international institutional investors, thereby creating and enhancing shareholder value.

The Company's corporate governance practices are based on the principle and code provision ("Code Provision") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company carries out periodically reviews its corporate governance practice to ensure that these continue to meet the requirement of CG Code.

1. CORPORATE GOVERNANCE PRACTICE

- a) With respect to the compliance with paragraph A of the Code, the Company has carried out the following corporate governance practices:

The Company has held twenty-nine Board meetings in the year of 2006. Directors have been consulted to advice the agenda of the Board meeting. Sufficient notice of the Board meeting has been given to the Directors. Minutes of the Board and the Board Committees are recorded in sufficient details and kept by the company secretary for inspection at any reasonable time on reasonable notice by any Director. Directors were supplied with adequate and relevant information in a timely manner to enable them forming decision in the relevant meetings. The composition of the Board is shown on page 19 of this report. At every annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next general meeting or the next annual general meeting. Every Director is aware that he/she should give sufficient time and attention to the affairs

概覽

本公司董事會確認良好企業管治守則之重要性及成效。本公司相信提高企業管治不單有助本公司有效監督及控制其業務運作，亦可吸引國際機構投資者，為股東締造更大價值。

本公司之企業管治守則乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企管守則」）之原則及守則條文（「守則條文」）而制定。本公司定期對其企業管治守則進行檢討，確保本公司守則持續符合企管守則之規定。

1. 企業管治守則

- a) 就遵守企管守則第A段而言，本公司已採納以下企業管治守則：

本公司於二零零六年度已舉行二十九次董事會會議。董事已獲諮詢就董事會會議議程提供意見。董事已獲發充裕之董事會會議通知。董事會及董事委員會會議紀錄已載有足夠資料，並由公司秘書存置，供任何董事在發出合理通知後於任何合理時間內查閱。董事已獲適時提供足夠及相關資料，使彼等能於相關會議上作出決定。董事會組成載於本報告第19頁。董事會成員組合反映出於技能及經驗方面必要之平衡，以成就本公司有效之領導及決策之獨立性。於各股東週年大會上，當時在任之三分之一董事（倘人數並非三之倍數，則為最接近但不超過三之倍數）須輪值告退。獲董事會委任以填補空缺或新增之董事，將任職至下屆股東大會或下屆股東週年大會為止。各董事知悉彼應安排足夠時間處理本公司事務。董事於不同會議之

of the Company. Details of the Directors attendance in different meetings are set out on page 20. Agreed procedures are in place providing to the member of the Board and/or committee to seek independent professional advice at the Company's expenses to assist them to discharge their duties.

For other details of the responsibilities of Directors, please refer to the section "Board of Directors" below.

- b) With respect to the compliance with paragraph B of the Code, the Company has established a remuneration committee with specific written terms of reference, details of which are set out in page 22 of this report.
- c) With respect to the compliance with paragraph C of the Code, the Company has carried out the following corporate governance practices:

Management has provided sufficient explanation and information to the Board as will enable the Board to make an informed assessment of financial and other information put before the Board for approval. The Company has announced the result of 2006 on 23 April 2007. A statement by the auditors about their reporting responsibilities is included in the Report of the Auditors on pages 38 to 39 of this Annual Report. The details of the internal controls of the Company and the Audit Committee are set out under the section "Internal Control and Audit Committee" below.

Internal Control and Internal Audit

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times. The system of internal controls aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

出席詳情載於本報告第20頁。本公司已推行若干議事程序，供董事會及／或委員會成員在履行其職責時尋求獨立專業意見，費用概由本公司承擔。

董事職責之其他詳情，請參閱以下「董事會」以下一節。

- b) 就遵守企管守則第B段而言，本公司已成立薪酬委員會，並制訂特定書面職權範圍，詳情載於本報告第22頁。
- c) 就遵守企管守則第C段而言，本公司已採納以下企業管治守則：

管理層已向董事會提供足夠之解釋及資料，使董事會可就提呈董事會批准之財務及其他資料作出知情估量。本公司已於二零零七年四月二十三日公佈二零零六年業績報告。核數師就其報告職責作出之聲明載於本報告第38頁至第39頁之核數師報告內。本公司內部監控及審核委員會之詳情，載於以下「內部監控及審核委員會」一節。

內部監控及審核委員會

董事會知悉其職責乃維持行之有效之本集團內部監控制度，全面保障股東之投資及本公司資產。內部監控制度旨在協助本集團達成其業務目標，保障資產，以及妥為存置提供可靠財務資料之會計紀錄。制度之設置乃就財務報表之重大錯誤聲明或資產損失提供合理而非絕對之保證，以及管理而非減低無法尋求業務目標之風險。管理層於年內已定期審閱內部監控制度之成效，包括財務、營運及遵守監控、不同風險管理功能以及實際及資

Corporate Governance Report

企業管治報告

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material controls in area of financial, operational and compliance controls, various functions for risks management as well as physical and information systems security. The Chief Finance Officer (“CFO”) has reported to the Audit Committee from time to time during the year, in conjunction with key findings identified by the external auditors, findings and actions or measures taken in addressing those internal controls. The Audit Committee in turn reports any material issues to the Board. The Board, through the Audit Committee, also sets targets for and reviews plan and progress on continuous improvement work of the Company’s internal control system with the CFO on a periodic basis.

- d) With respect to the compliance with paragraph D of the Code, the Company has carried out the following corporate governance practices:

When the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstance where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Company has set up two committees, for details please refer to the relevant sections below.

- e) With respect to the compliance with paragraph E of the CG Code, the Chairman of the Company and the Chairmen of the Audit Committee and the Remuneration Committee attend in the annual general meeting to answer questions raised up in the meeting. The procedures for demanding a poll by the shareholders were incorporated in every circular issued during the financial year ended 31 December 2006.

On review the CG Code, the Company has complied with all the Code Provisions as set out in Appendix 14 of the Listing Rules throughout the financial year ended 31 December 2006, except with deviation from code provision A4.1 and A4.2 details of which are explained below.

料系統保安等各個重大監控領域。財務總監（「財務總監」）於年內不時向審核委員會匯報外部核數師提出之重大發現，以及在進行內部監控時之發現、行動或措施。審核委員會則向董事會報告任何重大事宜。董事會亦透過審核委員會與財務總監定期制訂本公司內監控制度之目標，檢討有關計劃，以及對有關制度進行持續改善工作。

- d) 就遵守企管守則第D段而言，本公司已採納以下企業管治守則：

倘董事會向管理層授出其管理及行政職能，董事會已就管理層之權力發出清晰指引，其中有關管理層須向董事會作出匯報，以及管理層在代表本公司作出決定或訂立任何承諾前須取得董事會事先批准之情況。本公司已成立兩個委員會，詳情請參閱下文相關章節。

- e) 就遵守企管守則第E段而言，本公司主席及審核及薪酬委員會主席已出席股東週年大會，並於會議上回答提問。股東要求投票表決之程序已載於截至二零零六年十二月三十一日止財政年度刊發之各份通函內。

於檢討企業管治守則時，本公司已於截至二零零六年十二月三十一日止財政年度遵守上市規則附錄十四所載之守則條文，惟下文所詳述者偏離企管守則條文第A4.1及A4.2條。

Corporate Governance Report

企業管治報告

- f) Pursuant to A4.1 and A4.2 of the CG Code, those non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years.

For the period under review, all non-executive directors, including independent non-executive directors, of the Company have not been appointed for a specific term but they are subject to retirement by rotation and shall be eligible for re-election at annual general meetings of the Company in line with the Company's Articles of Association. As such, 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 CG Code.

Pursuant to the Company's Articles of Association, the Chairman shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In order to ensure the smooth running and continuous adhering to the strategic view of the Company, the Company believes that the position of Chairman is more practical to be maintained and not to be subject to retirement by rotation.

2. DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors (the "Model Code"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all directors, the Board confirms that the director of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of this Annual Report.

- f) 根據企管守則第A4.1及A4.2條，非執行董事須按指定任期委任，並須膺選連任，而全體董事須至少每三年輪值告退一次。

於回顧期間，本公司所有非執行董事（包括獨立非執行董事）均非按指定任期委任，惟須按照本公司組織章程細則之規定於股東週年大會上輪值告退及膺選連任。就此，本公司認為其已採取足夠措施，確保本公司之企業管治守則不遜於企管守則。

根據本公司之組織章程細則，主席毋須輪值告退，或被計入釐定每年須予退任之董事人數內。為確保本公司之暢順運作及持續貫徹採取策略觀點，本公司相信維持主席職務及毋須輪值告退較為實際。

2. 董事進行證券交易

本公司已採納上市規則附錄十所載之整套標準守則作為本公司董事進行證券交易之標準守則（「標準守則」）。標準守則之禁止進行證券交易以及披露之規定適用於若干特定人士，包括本集團高級管理層及涉及本集團股價敏感資料之人士。全部董事經本公司作出特定查詢後確認，彼等於年內及截至年報刊發日期均一直遵守有關董事進行證券交易之標準守則。

3. BOARD OF DIRECTORS

- (a) Up to the date of this Annual Report, the Board comprises a total of nine members including five executive directors, one non-executive director and three independent non-executive directors. Members of the Board have different professional and relevant industry experiences and background so as to bring in valuable contributions and advices for the development of the Group's business. One-third of the Board is independent non-executive directors and two of them are qualified accountants.
- (b) The Company has received written annual confirmation from each independent non-executive director of their independence to the Group. The Group considered that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The names of the directors and their respective biographies are set out on pages 11 to 14 of this Annual Report.
- (c) The Board meets periodically with the management to discuss the Group's strategies development and to review the business operation. The Board also monitors and controls financial performance in pursuit of the Group's strategic objectives. The names of the directors during the financial year and their individual attendance of are set out below:

3. 董事會

- (a) 截至本年報日期，董事會由合共九名成員組成，包括五名執行董事、一名非執行董事及三名獨立非執行董事。董事會成員具備不同專業及相關行業經驗及背景，可為本集團之業務發展提供寶貴貢獻及意見。董事會三分之一成員為獨立非執行董事，而其中兩名為合資格會計師。
- (b) 本公司已接獲各獨立非執行董事就彼等之獨立性而向本集團發出之確認書。本集團認為全體獨立非執行董事符合上市規則第3.13條之獨立指引，且根據該指引範圍彼等具獨立地位。董事姓名及彼等各自之履歷載於本年報第11至14頁。
- (c) 董事會定期與管理層會面，討論本集團之策略發展及檢討業務運作。董事會亦監察及監控本集團在達致策略性目標時之財務表現。本財政年度之董事姓名及其個別之會議出席率如下：

Corporate Governance Report

企業管治報告

Name 姓名		Attendance/Numbers of Meetings entitled to attend 出席次數／有權出席之會議數目		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<u>Executive:</u>	<u>執行董事：</u>			
Mr. Cheung To Sang (resigned on 26 June 2006)	張道生先生 (於二零零六年 六月二十六日辭任)	0/7	N/A 不適用	N/A 不適用
Mrs. Cheung Lim Mai Tak, Grace	張林美德女士	9/29	N/A 不適用	N/A 不適用
Mr. She Hing Chiu (resigned on 31 October 2006)	余慶潮先生 (於二零零六年 十月三十一日辭任)	8/22	N/A 不適用	N/A 不適用
Mr. Chan Shi Yung	陳樹鎔先生	27/29	N/A 不適用	N/A 不適用
Mr. Chui Kwong Kau	崔光球先生	28/29	N/A 不適用	N/A 不適用
Mr. Chan Wai Keung (Chief Executive Officer) (appointed on 18 April 2006)	陳偉強先生 (行政總裁) (於二零零六年 四月十八日獲委任)	20/25	N/A 不適用	N/A 不適用
<u>Non-Executive:</u>	<u>非執行董事：</u>			
Mr. Wang Xiang Jun (appointed on 1 September 2006)	王向軍先生 (於二零零六年 九月一日獲委任)	0/13	N/A 不適用	N/A 不適用
<u>Independent Non-Executive:</u>	<u>獨立非執行董事：</u>			
Mr. Chang Kin Man	鄭健民先生	17/29	2/2	1/1
Mr. Ip Wing Lung (appointed on 4 July 2006)	葉泳倫先生 (於二零零六年 七月四日獲委任)	8/19	1/1	0/0
Ms. Lee Pui Hang, Pieann (resigned on 4 July 2006)	李佩衡小姐 (於二零零六年 七月四日辭任)	1/10	0/1	0/1
Mr. Wu Tak Lung (resigned on 18 October 2006)	吳德龍先生 (於二零零六年 十月十八日辭任)	2/22	1/2	1/1
Mr. Zhong Yuan (appointed on 18 October 2006)	仲原先生 (於二零零六年 十月十八日獲委任)	0/7	0/0	0/0
(d) The Board oversees the Group's strategic development, and determine the objectives, strategies and policies of the Group.		(d)	董事會監督本集團之策略性發展，並決定本集團之目標、策略及政策。	
(e) The major issues which were brought before the Board for their decisions during the year include:		(e)	年內提呈董事會決議之主要事項包括：	
i. Proposals related to potential acquisition, investments, or any significant capital expenditures; and		i.	有關資金籌集活動、潛在收購、投資或任何重大資本開支之建議；及	
ii. Formulation of operational strategies and review of its financial performance and results and the internal control system.		ii.	制訂經營策略及審閱其財務表現、業績以及內部監控制度。	

Corporate Governance Report

企業管治報告

- (f) The Board has the overall responsibility to ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investments and the Company's assets.
 - (g) Two board committees, namely, the Audit Committee and the Remuneration Committee, have been established to oversee particular aspect of the Group's affairs.
 - (h) The Board also has delegated the day-to-day management and operations of the Group's businesses to management of the Company and its subsidiaries. Major corporate matters that are specifically delegated by the Board to the management include the preparation of financial statements for board approval before publishing, execution of business strategies and initiatives adopted by the board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.
- (f) 董事會之整體責任為確保本公司維持行之有效之內部監控，保障股東之投資及本公司資產。
 - (g) 已成立兩個董事委員會，即審核委員會及薪酬委員會，以監督本集團特定範圍之事務。
 - (h) 董事會亦已指派本公司及其附屬公司之管理層處理本集團之日敘業務管理及運作。董事會特別指派管理層處理之主要企業事宜包括：編製財務報表供董事會於刊發前審批，履行董事會採納之業務策略及目標，推行適當之內部監控及風險管理程序制度，以及遵守相關法定規定、規則及規例。

4. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- (a) Up to the date of this report, the position of the Chairman of the Board and Chief Executive Officer are held by Mr. Tong Seak Kan and Mr. Chan Wai Keung respectively. Mr. Tong Seak Kan was elected as the Chairman of the Company on 13 February 2007 to fill the vacancy following the resignation of Mrs. Cheung Lim Mai Tak, Grace as the Chairman of the Company on 17 January 2007. Mr. Chan Wai Keung was appointed as the Chief Executive Officer on 18 April 2006. They play different and distinctive roles, their responsibilities are clearly defined and as set out in the "Guidance notes of the separation of roles of the Chairman and Chief Executive Officer under the Code on Corporate Governance Practices" of the Company adopted on 23 September 2005.
- (b) The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the senior management, the Chairman is

4. 主席及行政總裁

- (a) 直至本報告日期，董事會主席及行政總裁之職分別由唐錫根先生及陳偉強先生出任。唐錫根先生於二零零七年二月十三日獲委任為本公司主席，以填補張林美德女士於二零零七年一月十七日辭任本公司主席後之臨時空缺。陳偉強先生於二零零六年四月十八日獲委任為本公司行政總裁。彼等擔當不同及獨立角色，而彼等之職責亦根據本公司於二零零五年九月二十三日採納之「企業管治常規守則下主席及行政總裁角色劃分之指引附註」所載而清楚界定。
- (b) 主席為本集團領導，須就董事會按照良好企業管治守則有效運作負責。在高級管理層之支持下，主席亦負責確

also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at board meeting.

- (c) The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. He is also responsible for assisting the Chairman of the Board in developing strategic plans and formulating the company practices and procedures, business objectives, and risk assessment for the Board's approval.

5. NON-EXECUTIVE DIRECTORS

All non-executive directors, including independent non-executive directors, of the Company, have not been appointed for a specific term, but are subject to retirement by rotation and eligible for re-election in annual general meeting in accordance with the articles of association of the Company.

6. REMUNERATION OF DIRECTORS

- (a) The Company has established a Remuneration Committee since 23 September, 2005 with written terms of reference as disclosed on the Company's websites. The primary duties of the Remuneration Committee include the following:—
 - i. To make recommendation to the board on the Company's policy and structure for all remuneration of directors and senior management;
 - ii. To determine the remuneration packages of executive directors and senior management, according to the major scope, responsibilities and duties, importance of position of the directors and the senior management as well as the remuneration level of the related position in the market, including benefit in kind, pension rights and compensation payments which include compensation payable for loss or termination of their office or appointment;

保董事及時獲得足夠、完整及可靠資料，並就董事會會議提呈之事宜獲得適當簡報。

- (c) 行政總裁專注於推行董事會批准及指派之目標、政策及策略。彼負責本公司之日常管理及營運。彼亦負責協助主席發展策略性計劃，制訂本公司常規及程序、業務目標以及風險評估以供董事會批准。

5. 非執行董事

本公司所有非執行董事(包括獨立非執行董事)均非按指定任期委任，惟須按照本公司組織章程細則之規定於股東週年大會上輪值告退及膺選連任。

6. 董事薪酬

- (a) 本公司已於二零零五年九月二十三日成立薪酬委員會，其書面職權範圍將於本公司網站披露。薪酬委員會之主要職責包括下列各項：
 - i. 就本公司全體董事及高級管理層之薪酬政策及架構向董事會作出建議；
 - ii. 根據董事及高級管理層之主要範疇、職責及職能、職級，以及市場上相關職位之薪酬水平，釐定執行董事及高級管理層之薪酬組合，包括實物利益、退休金權利及賠償(包括離職、終止職務或獲邀委任之及補償)；

Corporate Governance Report

企業管治報告

- iii. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
 - iv. 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 to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - v. To ensure that no director or any of his associates shall be involved in any decisions as to their own remuneration; and
 - vi. To advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.
- (b) Up to the date of this report, the members of Remuneration Committee comprised Mr. Chang Kin Man who act as Chairman of the Remuneration Committee, Mr. Ip Wing Lun and Mr. Zhong Yuan, all of them are independent non-executive directors of the Company. Mr. Ip Wing Lun and Mr. Zhong Yuan were appointed on 4 July 2006 and 18 October 2006 respectively to fill the vacancy following the resignation of Ms. Lee Pui Hang, Pieann and Mr. Wu Tak Lun during the year.
- (c) The number of Remuneration Committee meeting held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board of Directors" above.
- (d) The emolument policy of the employees of the Group was set up by the Remuneration Committee on the basis of their merit, qualification and competence.
- iii. 參考董事會不時議決之企業方向及目標，審閱及批准與表現掛鉤之薪酬；
 - iv. 審閱及批准就任何離職或終止委任而向執行董事及高級管理層支付之賠償，確保有關賠償乃根據相關合約條款釐定及對本公司乃公平及合理；
 - v. 確保董事或彼之任何聯繫人士概無涉及有關其本身薪酬之決定；
 - vi. 向股東建議就任何根據上市規則須股東批准之董事服務合約投贊成或反對票。
- (b) 直至本報告日期，薪酬委員會之成員包括鄭健民先生(薪酬委員會主席)、葉泳倫先生及仲原先生。彼等均為本公司之獨立非執行董事。葉泳倫先生及仲原先生分別於二零零六年七月四日及二零零六年十月十八日獲委任，以填補李佩衡小姐及吳德龍先生於年內辭任後之臨時空缺。
- (c) 薪酬委員會於年內舉行之會議次數及以記名方式記錄之個別成員會議出席率，載於上文「董事會」一節。
- (d) 本集團僱員之酬金政策由薪酬委員會根據彼等之長處、資格及競爭力而制定。

- (e) The emolument of the directors of the Company are determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.
- (f) The Group's share option scheme as described on page 89 of this Annual Report is adopted as the Group's long-term incentive scheme.

7. NOMINATION OF DIRECTORS

The Company does not have a nomination committee, and the power to nominate or appoint additional directors is vested in the Board according to the articles of association of the Company, in addition to the power of the shareholders to nominate any person to become a director of the Company in accordance with the articles of association of the Company and the Law of Cayman Islands.

The Board from time to time considers replenishing the composition of the Board whenever the Company requires to meet the business demand, opportunities and challenges and to comply with the laws and regulations. The nomination procedures basically follow the articles of association which empowers the Board from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. The Directors will select and evaluate the balance the skills, qualification, knowledge and experience of the candidate to the directorship as may be required by the Company from time to time by such means as the Company may deems fit. The Directors shall consider the candidate from a wide range of backgrounds, on his/her merits and against objective criteria set out by the Board and taking into consideration his/her time devoted to the position.

During the financial year under review and up to the date of this report, the Board appointed five additional directors namely Mr. Tong Seak Kan and Mr. Chang Kuo Tien, as Executive Directors on 7 February 2007. Mr. Wang Xiang Jun, as Non-executive Director on 1 September 2006, Mr. Ip Wing Lun and Mr. Zhong Yuan, as Independent Non-executive Directors on 4 July 2006 and 18 October 2006 respectively to meet the business needs of the Company.

- (e) 本公司董事之酬金由薪酬委員會參考本集團之經營業績、個別表現及比較市場統計數字而釐定。
- (f) 本集團採納本年報第89頁所述之購股權計劃作為其長期獎勵計劃。

7. 董事提名

本公司並無成立提名委員會。除股東有權根據本公司之組織章程細則提名任何人士成為本公司董事外，提名或委任新增董事之權力根據本公司之組織章程細則及開曼群島法例歸董事會所有。

董事會不時考慮為董事會注入新董事，協助本公司達成業務要求、機遇及挑戰，以及遵守法例及法規。提名程序基本上遵從本公司組織章程細則，授權董事會不時及隨時委任任何人士出任董事，不論屬於填補空缺或作為董事會新增之董事。董事將就其認為合適之方式，不時按本公司之規定甄選及評估董事候選人之平均能力、資歷、知識及經驗。董事將考慮不同背景之候選人，按董事會所訂要求考慮候選人之優劣之處，以及候選人可為其職務所付出之時間。

於本財政回顧年度及截至本報告日期止，董事會已委任五名新增董事，分別為於二零零七年二月七日獲委任為執行董事之唐錫根先生及張國典先生、於二零零六年九月一日獲委任為非執行董事之王向軍先生、於二零零六年七月四日及二零零六年十月十八日獲委任為獨立非執行董事之葉泳倫先生及仲原先生，以切合本公司業務發展所需。

8. AUDITORS' REMUNERATION

For the financial year, CCIF CPA Limited, the auditors of the Company, received approximately HK\$450,000 in respect of audit service provided to the Group. The auditors' remuneration has been duly approved by the Audit Committee and there was no disagreement between the Board and the Audit Committee on the selection and appointment of auditor. In order to maintain its independence, apart from the provision of annual audit services, this firm does not take on any non-audit assignments of the Company during the year.

9. AUDIT COMMITTEE

- (a) The Audit Committee of the Company was established since 30 January, 2002 comprises three independent non-executive directors, namely Mr. Chang Kin Man (Chairman of the Audit Committee), Mr. Ip Wing Lun and Mr. Zhong Yuan. Mr. Chang and Mr. Ip both are certified public accountant for many years. In the opinion of the Board, the members of the Audit Committee have sufficient financial management expertise to discharge their duties.
- (b) The number of Audit Committee meetings held during the year and record of individual attendance of members, on a named basis, at meetings held was set out in section headed "Board of Directors" above.
- (c) The Audit Committee is delegated by the Board to assess matters related to the financial statements of accounts and to provide recommendations and advices, including but not limited to the followings:—
 - i. to consider the appointment of the external auditors, the audit fees, and any questions of their resignation or dismissal;
 - ii. to discuss with the external auditors before the audit commences, the nature and scope of the audit, and to ensure co-ordination between the auditors where more than one audit firm are involved;
 - iii. to review, in draft form, the Company's annual report and accounts, half-year report and to provide advice and comment thereon to the Board;

8. 核數師薪酬

於財政年度，陳葉馮會計師事務所有限公司為本公司核數師，並就向本集團提供之核數服務收取約450,000港元。核數師薪酬由審核委員會正式批准，而董事會與審核委員會在甄選及委任核數師並無分歧。為維持核數師之獨立地位，除提供年度核數服務外，其並無進行本公司之非核數任命。

9. 審核委員會

- (a) 本公司自二零零二年一月三十日成立審核委員會，由三名獨立非執行董事組成，包括鄭健民先生（審核委員會主席）、葉泳倫先生及仲原先生。鄭先生及葉先生均富多年經驗之執業會計師。董事會認為，審核委員會具備足夠之財務管理專業人員履行其職責。
- (b) 審核委員會於年內舉行之會議次數及以記名方式記錄之個別成員會議出席率，載於上文「董事會」一節。
- (c) 審核委員會獲董事會指派處理有關賬目財務報表之事宜，並就包括但不限於下列各項提供建議及意見：
 - i. 考慮委任外部核數師、核數費用及其辭任或解散之任何提問；
 - ii. 在核數工作開始前與外部核數師進行討論核數性質及範圍，確保核數師行之間（在涉及超過一間核數師行之情況下）有所協調；
 - iii. 審閱本公司年報及賬目、半年報告之草擬，並就此向董事會提供意見及建議；

Corporate Governance Report

企業管治報告

- iv. to review external auditors' management letter and management's response;
 - v. to review the internal audit programme, ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
 - vi. to consider the major findings of internal investigations and management's response;
 - vii. to review compliance with regulatory and legal requirements of the Company;
 - viii. to discuss problems and observations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of the executive Board members and/or the management of the Company where necessary);
 - ix. to review the Company's statement on internal control systems prior to endorsement by the Board;
 - x. to consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's qualified accountant or auditors;
- (d) In addition to the above tasks regarding to the Company's financial statement, the Audit Committee should also consider any other matters, as defined by the Board from time to time; and conduct interviews with any Director, manager, financial controller upon their resignation in order to ascertain the reasons for his departure;
- (e) The Audit Committee acknowledges its responsibility in maintaining sound and effective internal control system of the Group to safeguard investments of the shareholders and assets of the Company at all times.
- (f) The Group's Annual Report for the year ended 31 December, 2006 has been reviewed by the Audit Committee.
- iv. 審閱外部核數師致管理層函件及管理層回應；
 - v. 審閱內部核數程序，確保內外部核數師之協作，以及保證內部核數職能獲充分資源，並在本公司內具有適當地位；
 - vi. 考慮內部調查之主要發現及管理層之回應；
 - vii. 審閱本公司之法規及法律要求之遵守情況；
 - viii. 討論中期及年終核數產生之問題及異議，以及核數師有意討論之任何事宜(董事會執行成員及／或本公司管理層或須避席)；
 - ix. 在董事會加簽前審閱本公司之內部監控制度聲明；
 - x. 考慮於或可能須於有關報告反映之任何重大或不尋常項目，並必須審慎考慮本公司合資格會計師或核數師提出之任何事宜。
- (d) 除上述有關本公司財務報表之事項外，審核委員會亦須考慮董事會不時界定之其他事宜；及在任何董事、經理或財務總監辭任時與彼等進行諮詢，確切了解彼等離任之原因；
- (e) 審核委員會知悉其職責乃維持本集團行之有效之內部監控制度，全面保障股東之投資及本公司資產。
- (f) 本集團截至二零零六年十二月三十一日止年度之年報已由審核委員會審閱。

10. SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's articles of association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Stock Exchange.

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board as well as the Chairmen of the Audit Committee and of the Remuneration Committee, or in their absence, other members of the respective committees, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

By the Order of the Board
Chan Wai Keung
Chief Executive Officer and Executive Director

Hong Kong, 23 April 2007

10. 股東權利及投資者關係

股東之權利及於股東大會上就決議案進行投票表決之要求載於本公司之組織章程細則。有關要求投票表決之權利及投票表決之程序詳情載於致股東之各通函內，並將於大會議程中作出闡述。

投票表決之結果將於股東大會後之營業日於報章刊登，並於聯交所網站登載。

本公司之股東大會提供股東與董事會溝通之平台。董事會主席及審核委員會與薪酬委員會之主席（若彼等缺席，則為各委員會之其他成員）將可回答於股東大會上之提問。

各重大事宜（包括推選個別董事）以獨立決議案形式於股東大會上提呈。

本公司不斷致力加強與投資者之溝通及關係。獲委派之高級管理層定期與投資者進行對話，並向彼等作出分析，讓其了解本公司之最新發展狀況。投資者之質詢均會詳盡及即時作出處理。

承董事會命
陳偉強
行政總裁兼執行董事

香港，二零零七年四月二十三日