

企業管治報告

CORPORATE GOVERNANCE REPORT

關於企業管治常規之報告

於截至二零零六年十二月三十一日止之財務年度，本公司已就載於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14「企業管治常規守則」（「守則」）應用當中所載之原則及遵守當中所載之所有規定，惟就守則條文A.4.1及A.4.2關於董事之服務任期及董事輪任的規定有若干偏離，有關詳情於本報告隨後說明。

董事會

本公司董事會（「董事會」）現時由合共九位董事組成，包括四位執行董事、兩位非執行董事及三位獨立非執行董事。三位獨立非執行董事合共具備適當專業資格、或在會計或財務管理或法律方面具備適當專業知識。每位董事之簡歷載於第11頁至第14頁。

每位獨立非執行董事已根據上市規則第3.13條規定就其獨立性向本公司提交週年確認書。因此，本公司認為所有獨立非執行董事皆符合載於上市規則之獨立性指引，並根據該指引條文屬獨立人士。

董事會決定集團的整體策略及方向，監管及評估集團的營運及財務表現。董事會亦決定週年預算及業務計劃、重大交易、董事聘任或續聘，以及股息分派及會計政策等事宜。董事會已將關於推行業務策略及管理集團日常業務運作之權力及職責轉授予總經理及常務董事委員會督導下之高級管理層執行。

REPORT ON CORPORATE GOVERNANCE PRACTICES

For the financial year ended 31st December 2006, the Company has applied the principles and complied with all the requirements sets 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") except for certain deviations from code provisions A.4.1 and A.4.2 in respect of the service terms and rotation of Directors, details of which are set out in this report.

Board of Directors

The Board of Directors (the "Board") of the Company currently comprises a total of nine Directors, with four Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The three Independent Non-executive Directors collectively possess a wide range of expertise on accounting, financial management and legal areas. The Directors' biographical information is set out on pages 11 to 14.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules to the Company. Accordingly, the Company is of the view that all the Independent Non-executive Directors meet the independence guidelines set out in the Listing Rules and are independent in accordance with the terms of the guidelines.

The Board determines the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance. It also decides on matters such as annual budgets and business plans; major transactions, director appointments or re-appointments, and dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to senior management under the supervision of the General Manager and the Executive Committee of the Board of Directors.

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董事會 (續)

為了促使全體董事能盡量出席會議，定期董事會會議的日期一般會預先計劃。每位董事均獲邀提出任何擬在會議中討論和動議的事項。所有董事可及時獲得有關本公司的相關業務文件及資料。董事會及每位董事能個別及獨立向本公司高級管理人員提問。董事在有需要時可尋求獨立專業意見，費用由本公司支付。會議紀錄之初稿及最終定稿亦發送予所有董事供彼等提供意見。於二零零六年，本公司共舉行了六次全體董事會會議，平均的出席率為94%。每位董事在二零零六年舉行之董事會會議、審核委員會會議及薪酬委員會會議之個別出席率如下：

Board of Directors (Continued)

Board meetings are normally scheduled in advance to facilitate fullest possible attendance. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. All Directors have access to appropriate business documents and information about the Company on a timely basis. The Board and each Director have separate and independent access to senior management of the Company. Directors may choose to take independent professional advice at the Company's expenses, if necessary. Drafts and final versions of minutes are circulated to all the Directors for comments. The Company held six full Board meetings in 2006 and the average attendance rate was 94%. Individual attendance of each Director at the Board meetings, the Audit Committee meetings and the Remuneration Committee meeting during 2006 is set out below:

		出席率 / 會議次數		
		Attendance / Number of Meetings		
		董事會	審核委員會	薪酬委員會
		Board	Audit Committee	Remuneration Committee
執行董事	Executive Directors			
丁仕達先生 (主席)	Mr Ding Shi Da (Chairman)	6/6	—	—
陳桂宗先生 (副主席)	Mr Chen Gui Zong (Vice Chairman)	5/6	—	—
朱學倫先生	Mr Zhu Xue Lun	6/6	—	—
翁建宇先生 (總經理)	Mr Weng Jian Yu (General Manager)	6/6	—	1/1
獨立非執行董事	Independent Non-executive Directors			
史習陶先生 (審核委員會主席)	Mr Robert Tsai To Sze (Chairman of the Audit Committee)	6/6	2/2	1/1
葉啟明先生 (薪酬委員會主席)	Mr Ip Kai Ming (Chairman of the Remuneration Committee)	5/6	1/2	1/1
蘇合成先生	Mr So Hop Shing	6/6	2/2	1/1
非執行董事	Non-executive Directors			
王會錦先生	Mr Wang Hui Jin	5/6	—	—
陳樂先生 (於二零零六年 六月十九日獲委任)	Mr Chen Le (Appointed on 19/6/2006)	2/2	—	—

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主席及行政總裁

本公司董事會主席（「主席」）及現任總經理（以行政總裁之身分行事）之職務由不同人士擔任，以使董事會運作及集團日常業務管理得以有效區分。主席其中一項主要職能為領導董事會，確保董事會以符合集團最佳利益的方式行事。主席確保董事會有效運作及履行應有職責，並就每項重要及適當事務進行適時討論。主席已將擬定每次董事會會議議程之職責轉授總經理及公司秘書。本公司總經理帶領高級管理人員負責集團的日常營運。總經理連同常務董事委員會及在管理層的協助下負責管理集團的業務，包括實施董事會採納之政策，並就集團整體營運向董事會負上全責。

除定期召開之董事會會議外，主席與獨立非執行董事亦於二零零六年內在執行董事並不出席的情況下舉行會議。

董事之委任及重選

由於新董事是經由董事會全體成員參與委任，因此本公司並沒有成立提名委員會。在考慮委任新董事時，董事會會考慮彼等之專業知識、經驗、誠信及承擔等各方面的資歷。

本公司的非執行董事並沒有按守則條文A.4.1的規定而有指定的任期，但他們須按本公司組織章程細則的規定在股東週年大會上輪值告退及膺選連任。

Chairman and Chief Executive Officer

The positions of the Chairman of the Board ("Chairman") and the existing General Manager (acting in the capacity of Chief Executive Officer) of the Company are held by separate individuals with a view to maintain an effective segregation of duties regarding management of the Board and the day-to-day management of the Group's business. One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. The Chairman ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chairman has delegated the responsibility for drawing up the agenda for each Board meeting to the General Manager and the Company Secretary. Senior management is responsible for the day-to-day operations of the Group under the leadership of the General Manager of the Company. The General Manager, working with the Executive Committee and supported by other management, is responsible for managing the businesses of the Group, including implementation of strategies adopted by the Board and assuming full accountability to the Board for the operations of the Group.

Apart from regular Board meetings, the Chairman also held meetings with the Independent Non-executive Directors without the presence of Executive Directors in 2006.

Appointment and Re-election of Directors

Since the full Board is involved in the appointment of new Directors, the Company has not established a Nomination Committee. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointments.

The Non-executive Directors of the Company have not been appointed for a specific term as required by Code Provision A.4.1; but they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association.

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董事之委任及重選(續)

根據本公司二零零六年六月十六日之前的組織章程細則，於每屆股東週年大會上，當時三分之一董事(或，倘彼等之數目並非三之倍數，則最接近但不超過三分之一)須輪席退任。而經董事會委任以填補空缺或新增名額的董事，則只可任職至下屆股東週年大會。

但守則條文A.4.2規定所有為填補空缺而被委任的董事須在接受委任後的首次股東大會上接受股東選舉；每名董事(包括有指定任期的董事)須輪值告退，至少每三年一次。為確保完全符合守則條文A.4.2，本公司在二零零六年六月十六日舉行的股東週年大會上，已通過一項特別決議案修訂本公司組織章程細則，使每名董事(包括以指定任期的委任或本公司的主席或董事總經理)均須最少每三年輪值告退一次。

常務董事委員會

董事會已將推行業務策略及管理集團之日常商業運作之權力及職責轉授常務董事委員會。該委員會現時由董事會三位常務董事組成，即丁仕達先生、陳桂宗先生及朱學倫先生，彼等常在有需要時舉行會議。

Appointment and Re-election of Directors (Continued)

Under the Articles of Association of the Company prior to 16th June 2006, 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 at every annual general meeting. Further, a Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next annual general meeting.

However, Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In order to ensure full compliance with Code Provision A.4.2, at the annual general meeting of the Company held on 16th June 2006, a special resolution was passed to amend the Company's Articles of Association to the effect that every Director (including those appointed for a specific term or holding office as Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years.

EXECUTIVE COMMITTEE

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the Executive Committee which currently consists of three Executive Directors of the Board, namely Mr Ding Shi Da, Mr Chen Gui Zong and Mr Zhu Xue Lun. These members meet frequently as and when necessary.

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審核委員會

審核委員會由三名獨立非執行董事組成，並由史習陶先生出任主席；彼曾為一間國際會計師行的合夥人，執業逾20年。審核委員會負責委任外聘核數師、審閱集團之財務資料、監察集團之財務申報系統和內部監控程序等事宜。該委員會負責審閱集團中期及全年業績，於審閱後才向董事會作出建議是否批准有關業績。審核委員會定期舉行會議，審閱財務申報及內部監控等事宜，並在可不受限制地與本公司之外聘核數師及內部審計師接觸。

於二零零六年，審核委員會共舉行了兩次會議，平均的出席率為83%。於有關會議上，該委員會與外聘核數師審閱截至二零零五年十二月三十一日止年度全年業績和截至二零零六年六月三十日止六個月中期賬目；並檢討集團內部稽核部門的工作，以及有關內部稽核報告提及之調查結果和建議。

薪酬委員會

薪酬委員會負責就本公司的薪酬政策，以及就訂立及審議本公司的執行董事及高級管理人員的特定薪酬待遇，向董事會提出建議。

薪酬委員會的大部分成員為獨立非執行董事，由獨立非執行董事葉啟明先生出任主席。其他成員包括史習陶先生、蘇合成先生、翁建宇先生及吳丹嬰女士。

於二零零六年期間，薪酬委員會審議了本公司董事的酬金和若干高級管理人員的薪酬待遇，以及關於發放獎金予管理層的事宜。薪酬委員會於二零零六年內舉行了一次會議，出席率達100%。

AUDIT COMMITTEE

The Audit Committee comprises the three Independent Non-executive Directors and is chaired by Mr Robert Tsai To Sze who was a partner of an international firm of accountants with which he practised for over 20 years. It is responsible for the appointment of external auditors, reviewing the Group's financial information and providing oversight of the Group's financial reporting and internal control system. It is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to perform such duties it has unrestricted access to both the Company's external and internal auditors.

In 2006, the Audit Committee held two meetings with an average attendance rate of 83%. At the meetings, it reviewed the final results for the year ended 31st December 2005 and the interim accounts for the six months ended 30th June 2006 respectively with the external auditors; and also the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board regarding the Company's remuneration policy, and the formulation and review of the specific remuneration packages of all Executive Directors and senior management of the Company.

A majority of the members of the Remuneration Committee are Independent Non-executive Directors. This Committee is chaired by Mr Ip Kai Ming who is an Independent Non-executive Director. The other members are Mr Robert Tsai To Sze, Mr So Hop Shing, Mr Weng Jian Yu and Ms Wu Danying.

During 2006, the Remuneration Committee reviewed the remuneration of the Directors and salary package of certain senior executives as well as payment of bonus to the management staff. One meeting was held in 2006 with the attendance rate of 100%.

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內部監控

董事會有責任維持集團的內部監控系統穩健妥善而且有效，以保障集團的資產。

內部監控系統旨在提供合理（而非絕對）的保證，以防出現嚴重錯漏或損失的情況，並管理（而非完全杜絕）運作系統故障的風險，以及協助達致集團的目標。

內部稽核部門在集團內部監控充當著一個主要監察角色，並直接向審核委員會和董事會匯報。內部稽核部門可不受約束地稽核本公司的所有活動和內部監控的事宜。同時亦對審核委員會或管理層所指定的事宜進行特別稽核。審核委員會可在沒有公司主席或管理層參與的情況下，直接聯絡內部稽核部門。

於二零零六年，董事會經過審核委員會及內部稽核部門，對集團內部監控系統進行了每年檢討。有關檢討由集團內部稽核部門統籌，透過高級管理層及各業務和營運部門進行自我評估，內部稽核部門對檢討過程及結果進行獨立的檢查及後評工作。有關的檢討結果已向審核委員會及董事會匯報。

董事就財務報表所承擔之責任

董事負責監察每個財政期間會計賬目的編製，以確保該賬目能夠真實和公平地反映該期間集團財政狀況、業績與現金流量。本公司會計賬目按照所有有關之法規及合適的會計準則編製。董事有責任確保選擇和貫徹應用合適之會計政策以及作出審慎和合理的判決及估計。

INTERNAL CONTROLS

The Board has the responsibility to ensure that the Group maintains sound and effective controls to safeguard the Group's assets.

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's objectives.

The Internal Audit Department plays a major role in monitoring the internal control of the Group and reports directly to the Audit Committee and the Board. It has unrestricted access to review all aspects of the Group's activities and internal controls. It also conducts special audits of areas of concern identified by the Audit Committee or management. The Audit committee has free and direct access to the Head of the Internal Audit Department without reference to the Chairman or Management.

In 2006, the Board, through the Audit Committee and Internal Audit Department, conducted an annual review of the Group's internal control system. The annual review was coordinated by the Group's Internal Audit Department, which, after senior management and each business and operational unit had performed their self-assessment, have carried out independent examination and other post-assessment work on the review process and results. The results of the 2006 review had been reported to the Audit Committee and the Board.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of accounts for each financial period with a view to ensuring such accounts give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable.

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核數師之酬金

截至二零零六年十二月三十一日止年度，集團已支付或應付外聘核數師關於核數服務及查證工作(有關本公司的中期財務報表及通函)以及稅務及諮詢服務分別為港幣2,680,000元，港幣1,540,000元及港幣91,310元。

證券交易的標準守則

有關董事進行之證券交易，本公司已採納了一套與上市規則之規定同樣嚴格之董事進行證券交易的行為守則。經具體查詢後，所有董事均確認於本年度內已遵守本公司證券交易的行為守則。

本公司亦已採納了一套規管擁有或得悉影響股價之敏感資料之員工進行證券交易的行為守則。

AUDITORS' REMUNERATION

For the year ended 31 December 2006, the fees paid or payable to the external Auditors for statutory audit services, attestation work (in relation to interim financial statements and circular issued by the Company), and tax and consultancy services were HK\$2,680,000, HK\$1,540,000 and HK\$91,310 respectively.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct governing securities transactions by directors on terms no less exacting than that required by the Listing Rules. Following a specific enquiry, all the Directors confirmed that they complied with the code of conduct for transactions in the Company's securities throughout the year.

The Company has also adopted a code of conduct governing securities transactions by employees who may possess or have access to price sensitive information.