

CORPORATE GOVERNANCE REPORT

企業管治報告

The board of directors (the "Board") is charged with providing effective and responsible leadership for the Company. The directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders.

The Board has appointed the following Committee to oversee different areas of the Company's affairs. The composition of the Board and the Committee are given below and their respective responsibilities are discussed later in this report.

Board of Directors

Executive Directors

Mr. Yip Yun Kuen
Mr. Yip Yun Tim
Mr. Chan Shun Po
Mr. Chan, Michael Siu Tai#

Non Executive Directors

Ms. Chan Pik Ha
Mr. Yeung Wai Kin

Independent Non Executive Directors

Mr. Man Mo Leung
Mr. Yap Alfred Donald
Ms. Lau Ki Cho, Iris

appointed on 1st January 2006

The Board sets the Group's objectives and strategies and monitors its performance. The Board also decides on matters such as annual and interim results, major transactions, director appointments, and dividend and accounting policies. The Board has delegated the authority and responsibility of managing and overseeing the Group's day to day operations to the Executive Directors of the Company and respective directors of principal subsidiaries of the Group.

The Company had received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

董事會(「董事會」)負責為本公司提供有效及負責任之領導。董事必須個別及共同秉誠行事，以本公司及其股東之最佳利益為依歸。

董事會已委任以下委員會監管本公司不同範疇之事務。董事會及各委員會之成員載於下文，而其各自之職責將於本報告下文論述。

Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
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董事會

執行董事

葉潤權先生
葉潤添先生
陳順寶先生
陳兆泰先生#

非執行董事

陳碧夏女士
楊偉堅先生

獨立非執行董事

文暮良先生
葉天養先生
劉紀初小姐

於二零零六年一月一日獲委任

董事會設定本集團之目標及策略，並監管其表現。董事會亦會對有關年度及中期業績、主要交易、董事委任，以及股息及會計政策作出決定。董事會將管理及監督本集團日常營運之權力及責任授權予本公司執行董事及本集團主要附屬公司各自之董事。

本公司已接獲各獨立非執行董事有關其獨立於本公司之年度確認，並認為各獨立非執行董事均獨立於本公司。

The Company Secretary assists the Chairman in setting the agenda of Board Meetings and each Director is invited to present any businesses that they wish to discuss or propose at the meetings. All Directors have timely access to all relevant information of the meetings and may take professional advice if necessary.

公司秘書協助主席擬備董事會會議之會議議程，而各董事均會獲邀提出任何彼等擬於會上討論或提呈之事項。全體董事均可迅速取得所有有關會議之資料，亦可於需要時尋求專業意見。

The Board held 4 full Board meetings for the year ended 31st December 2005. Attendances of the full Board meetings are as follows:

於截至二零零五年十二月三十一日止年度，董事會已舉行4次全體董事會會議。全體董事會會議之出席紀錄如下：

		No. of meetings attended 出席會議次數
Mr. Yip Yun Kuen (<i>Chairman</i>)	葉潤權先生 (主席)	4/4
Mr. Yip Yun Tim	葉潤添先生	3/4
Mr. Chan Shun Po	陳順寶先生	4/4
Ms. Chan Pik Ha	陳碧夏女士	2/4
Mr. Yeung Wai Kin	楊偉堅先生	4/4
Mr. Man Mo Leung	文暮良先生	4/4
Mr. Yap Alfred Donald	葉天養先生	4/4
Ms. Lau Ki Cho, Iris	劉紀初小姐	4/4

The full Board participates in the selection and approval of new directors and therefore has not established a Nomination Committee. The Board takes into consideration criteria such as expertise, experience, integrity and commitment when selecting new directors.

由於全體董事會均會參與挑選及批准新任董事，故並無成立提名委員會。董事會於挑選新任董事時，會對專業知識、經驗、品格正直及義務承擔等準則作出考慮。

Non-executive directors have been appointed for a specific term, which is subject to re-election. Under the Bye-Laws of the Company, with the exception of the Chairman, all the Directors are currently required to offer themselves for re-election by rotation at least once every three years. All directors appointed to fill a casual vacancy should be subject to election at the first general meeting after their appointment.

非執行董事並無特定任期，但須輪流退任。根據本公司之公司細則，除主席外，全體董事現時須至少每三年輪流接受一次選舉。所有為填補臨時空缺而獲委任之董事應在接受委任後首次股東大會上進行選舉。

AUDIT COMMITTEE

The Audit Committee was established to review the Group's financial reporting, internal controls and corporate governance issues and make relevant recommendations to the Board. The Audit Committee comprises of a Non-Executive Director and three Independent Non-Executive Directors. The Committee members possess appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules. Please refer to biography section of directors for further details of the Committee members.

The Audit Committee may elect to ask its external auditors to attend its meetings. During the year, the Audit Committee has met with the external auditors with no executive directors present.

審核委員會

審核委員會乃成立以審閱本集團之財務申報、內部監控及企業管治事宜，並對董事會提出相關建議。審核委員會包括一名非執行董事及三名獨立非執行董事。委員會成員具備上市規則所規定之適當專業資格、會計或相關財務管理專業知識。委員會成員之進一步詳情請參閱董事履歷一節。

審核委員會可選擇要求外聘核數師出席審核委員會會議。於本年度，審核委員會已與外聘核數師舉行執行董事不得出席之會議。

		No. of meetings attended 出席會議次數
Mr. Man Mo Leung (<i>Chairman</i>)	文暮良先生 (主席)	3/3
Mr. Yeung Wai Kin	楊偉堅先生	3/3
Mr. Yap Alfred Donald	葉天養先生	3/3
Ms. Lau Ki Cho, Iris	劉紀初小姐	3/3

AUDITORS' REMUNERATION

The following remuneration was paid by the Group to its principal auditor, Deloitte Touche Tohmatsu, and its affiliated firms:

核數師之酬金

本集團已向其主要核數師德勤•關黃陳方會計師行及其聯屬公司支付以下酬金：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Statutory audit	法定審核	1,000	780
Taxation services	稅務服務	50	49
Interim review	中期審閱	150	95
Others	其他	100	—
		1,300	924

REMUNERATION COMMITTEE

The Remuneration Committee was established on 16th September 2005 and comprises of one executive director and two Independent Non-Executive Directors. They held a meeting during the year to review the remuneration of directors and the Group's salary policy. To minimize any conflict of interest, any member who is interested in any given proposed motion is required to abstain from voting on such motion.

薪酬委員會

薪酬委員會已於二零零五年九月十六日成立，並包括一名執行董事及兩名非執行董事。於本年度，彼等已舉行一次會議，以審閱董事酬金及本集團薪酬政策。為將利益衝突減至最低，任何成員如於所提呈之動議中擁有權益，則須就該項動議放棄投票。

		No. of meetings attended 出席會議次數
Mr. Yip Yun Kuen (<i>Chairman</i>)	葉潤權先生 (主席)	1/1
Mr. Yap Alfred Donald	葉天養先生	1/1
Ms. Lau Ki Cho, Iris	劉紀初小姐	1/1

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st December 2005, with deviations from code provisions A2.1, A4.2 and B1.1 — B1.5 of the Code.

遵守最佳應用守則

於截至二零零五年十二月三十一日止年度，本公司一直遵守上市規則附錄十四所載之企業管治常規守則（「守則」），惟偏離守則之守則條文A2.1、A4.2及B1.1至B1.5。

Code Provision A2.1

Under the code provision A2.1, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual.

守則條文A2.1

根據守則條文A2.1，主席與行政總裁（「行政總裁」）之角色應有區分，並不應由一人同時兼任。

The Company does not have a separate chairman and CEO and Mr. Yip Yun Kuen holds both positions. The deviation is deemed necessary as, given the nature and size of the Company's business, it is at this stage considered to be more efficient to have one single person to hold both positions. The Board will review the current structure from time to time and shall make necessary arrangements when the Board considers appropriate.

本公司並無區分主席及行政總裁，而葉潤權先生同時擔任此兩項職務。考慮到公司業務之性質及規模，在此階段由同一人出掌該兩職位乃被認為具較高效益，因此該項偏離乃被視為必須者。董事會將不時審閱現有架構，並於董事會認為適當時作出必要安排。

COMPLIANCE WITH THE CODE OF BEST PRACTICE *(Continued)*

Code Provision A4.2

According to the code provision A4.2, all directors appointed to fill a causal vacancy should be subject to election at the first general meeting after their appointment. All directors should be subject to retirement by rotation at least once every three years.

To comply with the code provision A4.2, the relevant amendment to Bye-law 87 of the Bye-laws of the Company was proposed and approved by the shareholders at the annual general meeting of the Company held on 27th May 2005.

Code Provision B1.1 – B1.5

Listed issuers should establish a remuneration committee with specific written terms of reference. A majority of the members of the remuneration committee should be the INEDs. The major duty of the committee is to make recommendations to the board on remuneration policy and structure and on the establishment of a formal and transparent procedure for developing remuneration policy.

To comply with this code provision, a remuneration committee was established on 16th September 2005. The specific written terms of reference for the committee has been adopted and approved by the board. The committee comprise of two INEDs and one executive director.

遵守最佳應用守則 (續)

守則條文A4.2

根據守則條文A4.2，所有為填補臨時空缺而被委任之董事應在接受委任後首次股東大會上進行選舉。所有董事須至少每三年輪流退任一次。

為遵守則條文A4.2，有關修訂本公司細則之細則第87條已於二零零五年五月二十七日舉行之股東週年大會上提呈並獲得股東批准。

守則條文B1.1至B1.5

上市發行人應設立具有特定成文權責範圍之薪酬委員會。薪酬委員會之大部份成員應為獨立非執行董事。委員會之主要職責為就薪酬政策及架構，以及設立正規而具透明度之程序以制訂薪酬政策，向董事提出建議。

為遵守此項守則條文，薪酬委員會已於二零零五年九月十六日成立。董事會已採納及批准有關委員會之特定成文權責範圍。委員會包括兩名獨立非執行董事及一名執行董事。