

The corporate governance practices of the Company meet the standards set out by The Stock Exchange of Hong Kong Limited. A number of policies and procedures have been adopted so as to achieve the Company's objectives of establishing and sustaining high standards of corporate governance. These policies and procedures enable the operation of the Company to be conducted in a transparent manner, with adequate built-in checks and balances.

Board of Directors

The board ("Board") of directors ("Directors") of the Company (together with its subsidiaries, the "Group") oversees the Company's strategic direction and the controls applied to its activities, ensuring that management has in place the appropriate processes for risk assessment, management and internal control over the Company's day to day affairs. Particularly monitoring performance against pre-approved benchmarks, the approval having been given with proper authority in place.

The Board comprises six Directors (including two Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors). The Chairman of the Board is an Independent Non-Executive Director. Biographical details of all the Directors are set out on pages 9 and 10 of this report.

The Board meets regularly. Between scheduled meetings, division heads of the Group provide the Directors with information on a timely basis on the activities and development in the business of the Group. In addition, the Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

Audit Committee

New terms of reference for the Audit Committee have been adopted. The principal responsibilities of the Audit Committee are to review the completeness, accountancy standards and objective criteria adopted for the Company's financial statements and relevant accountancy procedures, including the scope and the nature of both the internal and external audit processes. The Audit Committee also recommends to the Board the external auditors for appointment, reviews external auditors reports and oversees management's response to any actions arising from such reports. The Audit Committee also oversees management's reports in regard to any actions to remedy faults or deficiencies that may be found in relation to internal financial controls, and upon being satisfied shall inform the Board accordingly. The Audit Committee is also responsible for considering any proposed connected party transactions. It also considers and if appropriate in the circumstances supports a recommendation to the Board for dividend payout.

Members of the Audit Committee are:

- Ronald James Blake, *OBE, JP (Chairman)*
- Lee Chack Fan, *SBS, JP*
- Iain Ferguson Bruce

Finance and Investment Committee

The Finance and Investment Committee are responsible for making recommendations in regards to acquisitions and disposals of assets, budgeting all key expenditure and reviewing quarterly financial performance against forecast, including management's approved financial plan. The Finance and Investment Committee also reviews and recommends any changes to financial authorities, policies or procedures in such areas as accounting, tax, treasury, dividend payout, investment appraisal, management and statutory reporting.

Members of the Finance and Investment Committee are:

- Wong Wing Hoo, *Billy, JP (Chairman)*
- Lee Hon Chiu
- Iain Ferguson Bruce

Remuneration Committee

The Remuneration Committee was established to ensure there is a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors. The Remuneration Committee is mainly responsible for making recommendations on the remuneration and retirement policies and packages of senior management and Directors and making recommendations on the manpower deployment plan.

Members of the Remuneration Committee are:

- Ronald James Blake, *OBE, JP (Chairman)*
- Wong Wing Hoo, *Billy, JP*
- Lee Chack Fan, *SBS, JP*

Nomination Committee

The Nomination Committee was established to ensure there is a formal, considered and transparent procedure for the appointment of new Directors to the Board. The responsibilities of the Nomination Committee is to review the composition of the Board and if necessary recommends change. It is also responsible for considering any nominations of new members to the Board.

Members of the Nomination Committee are:

- Lee Chack Fan, *SBS, JP (Chairman)*
- Lau Ko Yuen, Tom
- Iain Ferguson Bruce

Disclosures Committee

The Disclosures Committee is mainly responsible for overseeing disclosures to shareholders, the public and any relevant statutory authority. The Disclosures Committee also oversees compliance with any applicable legal requirements for disclosure, including the continuity, accuracy, clarity, completeness and current relevance of information disseminated by the Company.

Members of the Disclosures Committee are:

- Iain Ferguson Bruce (*Chairman*)
- Lau Ko Yuen, Tom
- Lee Hon Chiu

Executive Committee

The Executive Committee is responsible for handling the management and operation of the day-to-day business of the Company.

Members of the Executive Committee are:

- Wong Wing Hoo, *Billy, JP (Chairman)*
- Lee Hon Chiu