

公司管治報告

Corporate Governance Report

22

本公司致力維持高水準及具質素程序的企業管治，本公司已推行企業管治措施，且特別注重對股東的誠信、資料披露之完整性、透明度及問責質素，藉以提高股東利益。

企業管治常規

於本回顧年度，本公司著力改善企業管治，本公司董事會已審閱香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」），並已採用企業管治守則，作為本公司之企業管治常規守則的要求。除偏離守則條文A.4.1及A.4.2外（該等偏離行為已在各有關段落作出解釋），本公司亦已遵守企業管治守則項下之全部守則條文。

董事進行證券交易

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之上市公司董事進行證券交易的標準守則（「標準守則」）作為本公司有關董事進行證券交易之操守準則。

根據本公司對全體董事所作之具體查詢，全體董事已確認於截至二零零五年十二月三十一日止十二個月期間，彼等均符合標準守則之規定。

董事會

董事會負責領導及監控本公司，並負責監督業務、批准經營策略及監管公司之表現。

除就重大及重要事務以及法定目的舉行之其他董事會會議外，董事會大約每三個月舉行一次常規會議，每年最少舉行四次。董事局成員將會適時取得適當及充足之資料，以便彼等了解本集團之最新發展，從而有助彼等履行其職責。

每次會議由公司秘書負責記錄，於會後合理時間內送交各董事閱覽、修改及同意。會議記錄由公司秘書保存，如董事要求會開放給予查閱。公司秘書向董事會負責確保董事會依循程序及遵守適用法律及規例。各董事均可獲取公司秘書的意見及服務。

The Company is committed to maintaining corporate governance of high standards and quality procedures. The Company has put in place governance practices with emphasis on the integrity to shareholders and quality of disclosure, transparency and accountability to shareholders for the sake of maximizing returns to shareholders.

CORPORATE GOVERNANCE PRACTICE

During the year under review, the Company has committed to strengthen its corporate governance. The Board of the Company has reviewed the Code of Corporate Governance Practices (the "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"), and has adopted the CG Code as its own code of corporate governance practices. The Company has also complied with all of the code provisions under the CG Code except for the deviations from code provisions A.4.1 and A.4.2 which are explained in the following relevant paragraphs.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of conduct regarding director's securities transactions.

The Company confirms that, having made specific enquiry of all directors, all directors have complied with the required standard set out in the Model Code for the twelve months period ended 31st December, 2005.

BOARD OF DIRECTORS

The Board is responsible for leading and controlling the Company, as well as the supervision of the business, approval of strategic plans and monitoring the Company's performance.

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals in addition to other Board meetings that are required for significant and important issues, and for statutory purposes. Appropriate and sufficient information is provided to Board members in a timely manner to keep them abreast of the Group's latest developments and thus can assist them in discharging their duties.

The Company Secretary is responsible for taking minutes of the Board meetings, which will be sent to all directors for their review, comments and approval within a reasonable time. The minute books are kept by the Company Secretary and will be opened for inspection by the directors upon request. All directors have access to the advice and service of the Company Secretary who is responsible to the Board for ensuring that the procedures are followed and that all applicable laws and regulations are complied with.

主席及行政總裁

截至二零零五年十二月三十一日止年度本公司主席及行政總裁分別為王聰德先生及龔漢兵先生。主席與總裁的角色是分開的，由兩位獨立個體承擔，他們之間沒有任何關係，以確保權力和授權分布均衡。董事會主席負責領導工作，確保董事會有效地運作，而行政總裁則獲授予權力有效地管理本集團各方面的業務。

委任、重選和罷免董事

企業管治守則之守則條文A.4.1規定非執行董事的委任應有指定任期，並須接受重選。

企業管治守則之守則條文A.4.2規定所有填補臨時空缺而被委任的董事應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）應輪值告退，至少每三年一次。

本公司現有之非執行董事之委任概無指定任期，此項規則偏離企業管治守則的守則條文A.4.1的規定。然而，所有本公司董事（包括執行及非執行）均受本公司章程細則之細則第87條退任條文規限：於每屆股東週年大會上，三分之一在任董事須輪值告退，惟本公司董事會主席及/或總經理不須輪值告退。輪值告退之董事應包括自願告退而不欲重選的董事、自重選或委任起計任期最長的董事、或為填補臨時空缺而被董事會委任的董事。然而，在同日獲委任或重選的董事，則以抽籤方式決定告退的人選（除非彼等另有協定）。由於董事會主席在本公司章程細則規定下不須輪值告退，此項規則偏離企業管治守則之守則條文A.4.2。

由董事會委任以填補臨時空缺或增加的董事，只可任職至下屆股東週年大會。

為確保完全遵從守則條文A.4.1及A.4.2，董事會建議本公司股東於應屆股東週年大會上批准特別決議案，修訂本公司組織章程細則，以確保符合上市規則附錄十四之有關條文。本公司章程細則修訂建議之詳情將載於連同二零零五年年報一併寄發予本公司股東之通函及股東週年大會通告內。

CHAIRMAN AND PRESIDENT

For the year ended 31st December 2005, the Chairman and President of the Company are Mr. Wong Chung Tak and Mr. Gong Hanbing respectively. The roles of the Chairman and the President are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority. The Chairman of the Board is responsible for the leadership and effective running of the Board, while the President is delegated with the authorities to manage the business of the Group in all aspects effectively.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

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. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Non-Executive Directors of the Company do not have a specific term of appointment. This constitutes a deviation from code provision A.4.1. of the Code. However, all Directors of the Company (executive and non-executive) are subject to the retirement provisions under Bye-law 87 of the Bye-laws of the Company: one-third of the directors for the time being shall retire from the office by rotation at each annual general meeting provided that the Chairman of the Board and/or the Managing Director of the Company shall not be subject to retirement by rotation. The directors to retire by rotation shall include any director who wishes to retire and not to offer himself for re-election, or those who have been longest in office since their last re-election or appointment or those who were appointed by the Board to fill casual vacancy. However, as between persons who became or were last re-elected directors on the same day, those to retire shall be determined by lot (unless they otherwise agree among themselves). As the Chairman of the Board is not subject to retirement by rotation under the Bye-laws of the Company, this constitutes a deviation from code provision A.4.2 of the CG Code.

A Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next annual general meeting.

In order to ensure compliance with code provision A.4.1 and A.4.2, the Board proposed to the shareholders of the Company to approve a special resolution at the forthcoming annual general meeting to amend the bye-laws of the Company so as to, inter alia, ensure compliance with relevant provisions of the Appendix 14 to the Listing Rules. Details of the proposed amendments to the bye-laws of the Company will be set out in the circular and the notice of the annual general meeting to be dispatched to the shareholders of the Company together with the annual report for the year 2005.

公司管治報告

Corporate Governance Report

24

本公司已設立一個提名委員會，並以書面訂明具體的職權範圍，負責就本公司委任董事及高級行政人員以及審議本公司執行董事及高級行政人員的繼任安排。

董事會之組成

截至二零零五年十二月三十一日止年度本公司董事會由四名執行董事（王聰德先生、龔漢兵先生、鄧文雲先生及謝錦輝先生）、二名非執行董事（陳潮先生及王文俊先生）及三名獨立非執行董事（李國精先生、廖醒標先生及莊嘉俐小姐）組成。各董事履歷載於年報第12至13頁。

就本公司所知，王文俊非執行董事為王聰德主席之兄長之兒子，除以上所述者外，各董事會成員及與主席及總裁之間概無任何財務、業務及親屬關係。彼等均可自由作出獨立判斷。

獨立非執行董事

根據上市規則第3.10(1)條及第3.10(2)條，本公司已委任三名獨立非執行董事，當中廖醒標先生為香港會計師公會資深會員及英國特許公認會計師公會資深會員。彼於審核、稅務及為香港及中國公司提供審計及顧問服務積多年經驗。

李國精先生服務董事會已超逾12年。李先生為人正直及公平，具豐富管理及中國業務拓展經驗。董事會對李先生過往提供的寶貴意見及貢獻深表謝意，亦深信他能持守獨立性，盡心為董事會服務。

莊嘉俐小姐現為特許財務分析師及美國投資管理與研究學會會員。彼於銀行及金融界工作超過九年。

本公司已接獲各位獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為全體獨立非執行董事均為獨立人士。

The Company has established a Nomination Committee with specific written terms of reference, which is responsible for arranging new appointments of Directors and senior executives of the Company, and for reviewing management succession plan for Executive Directors and senior executives of the Company.

COMPOSITION OF THE BOARD

For the year ended 31st December 2005, the Board comprises four Executive Directors, being Mr. Wong Chung Tak, Mr. Gong Hanbing, Mr. Deng Wenyun and Mr. Tse Kam Fai, two Non-executive Directors, being Mr. Chen Chao and Mr. Wong Ngo, Derick, and three independent Non-executive Directors, being Mr. Lee Kuo Ching, Stewart, Mr. Liu Sing Piu, Chris and Miss Chong Kally. The biographies of the Directors are set out in pages 12 and 13 to the annual report.

To the best knowledge of the Company, Mr. Wong Ngo, Derick, a Non-executive Director, is the son of the elder brother of Mr. Wong Chung Tak, the Chairman. Except for aforesaid, there is no financial, business and family relationship among members of the Board and between the Chairman and the President. All of them are free to exercise their independent judgement.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three Independent Non-executive Directors, of whom Mr. Liu Sing Piu, Chris, is a fellow member of Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants, United Kingdom. He has many years of experience in auditing and taxation, and providing audit and consultant services for companies in Hong Kong and the PRC.

Mr. Lee Kuo Ching, Stewart, has been serving the board for more than 12 years. Mr. Lee is a man of integrity and is experienced in management and development of business in the PRC. During his services to the Board in the past years, he contributed to the Board and the Company valuable advice on diverse aspects. The Board expresses its gratitude to Mr. Lee and believes that he can continue to be independent in character and judgment and serve the Board with great endeavour.

Miss Chong Kally is a Chartered Financial Analyst and a member of Association for Investment Management and Research. She has been working in the banking and finance sector over 9 years.

The Company has received, from each of the Independent Non-executive Directors, annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are independent.

公司管治報告

Corporate Governance Report

25

董事會會議出席記錄

下表載列年內各董事出席董事會會議之情況：—

ATTENDANCE RECORD AT BOARD MEETINGS

The following table shows the attendance of Directors at meetings of the Board during the year:—

董事名稱	Name of Director	於二零零五年內 舉行之董事會會議次數 Number of Board meetings held during 2005	出席會議次數 Number of meetings attended
執行董事：	Executive Director:		
王聰德先生 (主席)	Mr. Wong Chung Tak (Chairman)	7	7
龔漢兵先生 (總裁)	Mr. Gong Hanbing (President)	7	5
鄧文雲先生 (常務副總裁)	Mr. Deng Wenyun (Standing Vice-President)	7	7
謝錦輝先生	Mr. Tse Kam Fai	7	7
非執行董事：	Non-executive Director:		
陳潮先生	Mr. Chen Chao	7	5
王文俊先生	Mr. Wong Ngo, Derick	7	2
獨立非執行董事：	Independent Non-executive Director:		
李國精先生	Mr. Lee Kuo Ching, Stewart	7	4
廖醒標先生	Mr. Liu Sing Piu, Chris	7	7
莊嘉俐小姐	Miss Chong Kally	7	6

董事會委員會

董事會已成立多個委員會，包括審核委員會、薪酬委員會、提名委員會及執行委員會，以監察本公司特定範疇之事務及協助董事會執行其職責。

BOARD COMMITTEE

The Board has established various committees under the Board, namely Audit Committee, Remuneration Committee, Nomination Committee and Operation Committee, to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities.

審核委員會

組成

本公司根據聯交所之規定擬定審核委員會之職權範圍。審核委員會由全體獨立非執行董事組成。

AUDIT COMMITTEE

Composition

The Company formulated written terms of reference for the Audit Committee in accordance with requirements of the Stock Exchange. The Audit Committee consists of all the Independent Non-executive Directors.

截至二零零五年十二月三十一日止年度之審核委員會成員為：—

For the year ended 31st December 2005, the members of the Audit Committee were:—

廖醒標先生 (主席)
李國精先生
莊嘉俐小姐

Mr. Liu Sing Piu, Chris (Chairman)
Mr. Lee Kuo Ching, Stewart
Miss Chong Kally

公司管治報告

Corporate Governance Report

26

審核委員會會議出席記錄

下表載列年內各委員出席審核委員會會議之情況：—

審核委員會委員	Member of Audit Committee	於二零零五年內 舉行之審核委員會會議次數 Number of Audit Committee meetings held during 2005	出席會議次數 Number of meetings attended
李國精先生	Mr. Lee Kuo Ching, Stewart	2	2
廖醒標先生	Mr. Liu Sing Piu, Chris	2	2
莊嘉俐小姐	Miss Chong Kally	2	2

審核委員會之職權範圍，乃參考守則條文所列者之標準而制定。審核委員會之職能包括（但不限於）下列各項：

- 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的事宜；
- 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；
- 監察本公司的財務報表、本公司年度報告及賬目及中期報告的完整性，並審閱報表及報告所載有關財務申報的重大意見。在這方面，委員會在向董事會提交有關本公司年度報告及賬目、半年度報告前作出審閱有關報表及報告時，應特別針對下列事項：會計政策及實務的任何更改；因核數而出現的重大調整；企業持續經營的假設及任何保留意見；是否遵守會計準則；及是否遵守有關財務申報的上市規則及其他法律規定；
- 檢討本公司的財務監控、內部監控及風險管理制度；
- 與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；
- 主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層的回應進行研究；

ATTENDANCE RECORD AT AUDIT COMMITTEE MEETINGS

The following table shows the attendance of members at meetings of the Audit Committee Meeting during the year:—

Member of Audit Committee	Number of Audit Committee meetings held during 2005	Number of meetings attended
Mr. Lee Kuo Ching, Stewart	2	2
Mr. Liu Sing Piu, Chris	2	2
Miss Chong Kally	2	2

The Company formulated written terms of reference for the Audit Committee with reference to standards stipulated in code provisions. The major roles and functions of the Audit Committee are, but not limited to, as follows:

- to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any issue in relation to the resignation or dismissal of such auditors;
- to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;
- to monitor integrity of financial statements of the Company and the Company's annual report and accounts and interim reports, and to review significant financial reporting judgments contained in them. In this regard, in reviewing the Company's annual report and accounts and half-year reports before submission to the Board, focusing particularly on any changes in accounting policies and practices; major judgement areas; significant adjustments resulting from the audit; the going concern assumptions and any qualifications; compliance with accounting standards and compliance with the Listing Rules and other legal requirements in relation to financial reporting;
- to review the Company's financial controls, internal control and risk management systems;
- 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;
- to consider any findings or major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;

公司管治報告

Corporate Governance Report

27

審核委員會會議出席記錄 (續)

- 如公司設有內部核數功能，須確保內部各外聘核數師的工作得到協調；也須確保內部核數師功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察內部核數功能是否有效；
- 檢討本集團的財務及會計政策及實務；
- 檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；及
- 確保董事會及時回應外聘核數師給予管理層的《審核情況說明函件》中提出的事宜；

審核委員會於回顧年內之工作包括：

- 審閱本集團截至二零零四年十二月三十一日止年度之全年業績及截至二零零五年六月三十日止六個月之中期業績。
- 在編製二零零五年中期及全期財務報表時，與本公司管理層討論本集團之會計準則及政策是否完整、公平及足夠。
- 與外聘核數師審閱及討論本公司之財務申報事宜。
- 向董事會推薦重新委任核數師，以待股東批准。
- 外聘核數師審閱及檢討本集團的內部監控程序。

審核委員會於二零零五年共召開兩次會議。每次委員會會議均獲提供必須之本集團財務資料，供成員考慮、檢討及評審工作中涉及之重大事宜。

ATTENDANCE RECORD AT AUDIT COMMITTEE MEETINGS (Continued)

- where an internal audit function exists, to 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, and to review and monitor the effectiveness of the internal audit function;
- to review the Group's financial and accounting policies and practices;
- to review the external auditors' management letter, any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response; and
- to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

During the year under review, the Audit Committee had performed the following work:

- reviewed the annual results for the year ended 31st December 2004 and the interim results for the six months ended 30th June 2005.
- discussed with the management of the Company over the completeness, fairness and adequacy of accounting standards and policies of the Group in the preparation of the 2005 interim and annual financial statements.
- reviewed and discussed with the external auditors over the financial reporting of the Company.
- recommended to the Board, for the approval by shareholders, of the re-appointment of the auditors.
- appointed external auditors to audit and review the Group's internal control procedures.

The Audit Committee held two meetings in 2005. Each committee meeting was supplied with the necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted.

公司管治報告

Corporate Governance Report

28

薪酬委員會

本公司根據聯交所之規定擬定薪酬委員會之職權範圍。薪酬委員會由兩位執行或非執行董事及三位獨立非執行董事組成，並由獨立非執行董事任薪酬委員會主席。年內之薪酬委員會成員為：—

廖醒標先生（主席）
王聰德先生
陳潮先生
李國精先生
莊嘉俐小姐

本集團薪酬委員會的主要角色及功能（但不限於）如下：

- 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序擬訂此等薪酬政策，向董事會提出建議；
- 獲董事會轉授以下職責，就全體執行董事及高級管理人員的特定薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）提出建議，並就非執行董事的薪酬向董事會提出建議報董事會批准。委員會應考慮的因而包括同類公司支付的薪酬、董事須付出的時間及董事職責、本集團內其他職位的僱用條件是否應該按表現釐訂薪酬等；
- 透過參照董事會不時通過的公司目標，檢討及批准按表現而釐定的薪酬；
- 檢討及批准向執行董事及高級管理人員支付那些與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不會對本公司造成過重負擔；
- 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理適當；
- 確保任何董事或其任何聯繫人不得自行釐定薪酬；及
- 為須獲得股東批准之服務合約出具意見及向股東（除股東為董事並於服務合約內有重大利益及彼等之聯繫人士外）提出意見，有關條款是否公平及合理，該等合約是否對本公司及其股東整體為有利，並建議股東應怎樣投票。

REMUNERATION COMMITTEE

The Company formulated written terms of reference for the Remuneration Committee in accordance with requirements of the Stock Exchange. The Remuneration Committee consists of two Executive or Non-executive Directors and three Independent Non-executive Directors, and an Independent Non-executive Director should take up the role of chairman of the Remuneration Committee. During the year, the members of the Remuneration Committee were:—

Mr. Liu Sing Piu, Chris (*Chairman*)
Mr. Wong Chung Tak
Mr. Chen Chao
Mr. Lee Kuo Ching, Stewart
Miss Chong Kally

The major roles and functions of the Group's Remuneration Committee are, but not limited to, as follows:

- to make recommendation to the Board on matters relating to the Company's policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- to have the delegated responsibility to determine and propose the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of Non-executive Directors for approval. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 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;
- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- to form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are Directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, to advise whether such contracts are in the interests of the Company and its shareholders as a whole, and advise shareholders on how to vote.

公司管治報告

Corporate Governance Report

29

提名委員會

本公司根據聯交所之規定擬定提名委員會之職權範圍。提名委員會由兩位執行或非執行董事及三位獨立非執行董事組成，並由一名執行董事任提名委員會主席。年內之提名委員會成員為：—

王聰德先生 (主席)
陳潮先生
廖醒標先生
李國精先生
莊嘉俐小姐

本集團提名委員會的主要角色及功能 (但不限於) 如下：

- 定期檢討董事會的架構、人數及組成 (包括技能、知識及經驗方面)，並就任何擬作出的變動向董事會提出建議；
- 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- 評核獨立非執行董事的獨立性；及
- 就董事委任或重新委任以及董事 (尤其是主席及行政總裁) 繼任計劃的有關事宜向董事會提出建議。

NOMINATION COMMITTEE

The Company formulated written terms of reference for the Nomination Committee in accordance with requirements of the Stock Exchange. The Nomination Committee consists of two Executive or Non-executive Directors and three Independent Non-executive Directors, and an Executive Director should take up the role of chairman of the Nomination Committee. During the year, the members of the Nomination Committee were:—

Mr. Wong Chung Tak (*Chairman*)
Mr. Chen Chao
Mr. Liu Sing Piu, Chris
Mr. Lee Kuo Ching, Stewart
Miss Chong Kally

The major roles and functions of the Group's Nomination Committee are, but not limited to, as follows:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed change;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of Independent Non-Executive Directors; and
- to make recommendations to the Board on relevant issues relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and President.

公司管治報告

Corporate Governance Report

30

執行委員會

本公司之執行委員會設於二零零五年三月十八日。該委員會之有效出席人數包括最少三名執行董事及一名獨立非執行董事。

執行委員會根據職權範圍按突發性需要召開會議執行董事會授予其權力、職責及酌情權。

於二零零五年，執行委員會自成立後舉行了二次會議。

董事編製財務報表之責任

董事會確認彼等編製本集團財務報表之責任，並保證財務報表乃根據法例規定及適用之會計準則編製。董事會亦保證會準時刊發本集團之財務報表。

本公司之外聘核數師德勤•關黃陳方會計師行就本集團財務報表進行報告之責任聲明載於第33頁之核數師報告內。

董事確認，經作出一切合理查詢後，就彼等所知、所獲資料及所信，彼等並不知悉任何可能會對本公司持續經營能力造成重大疑慮之事件或情況之重大不確定因素。

核數師酬金

於截至二零零五年十二月三十一日止年度，本集團之外聘核數師曾為本集團提供以下服務：—

OPERATION COMMITTEE

The Operation Committee of the Company was established on 18th March 2005. The valid quorum of the Committee consists of at least three Executive Directors and one Independent Non-executive Director.

The Operation Committee meets on ad hoc basis to exercise the powers, authorities and discretions of the Board in accordance with the written terms of reference.

During 2005, the Operation Committee held two meetings since establishment.

DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The responsibility statement of the external auditors of the Company, Messrs Deloitte Touche Tohmatsu, about their reporting responsibilities on the financial statements of the Group is set out in the Auditors' Report on page 33.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainty relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

For the year ended 31st December 2005, the external auditors of the Group provided the following services to the Group:—

		二零零五年 千港元 2005 HK\$'000
核數服務	Audit services	1,100
審閱服務	Review services	250
		<hr/>
		1,350

內部監控

本公司董事會已知悉企業管治守則第C.2條規定，為確保本集團的內部監控系統穩健妥善而且有效，以保障股東的投資及本公司的資產。於二零零五年十二月本公司董事會外聘審計師為本公司及其附屬公司進行內部監控系統審查，有關檢討涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控以及風險管理功能。待內部監控系統審查報告完成後，本公司將會根據報告的建議作出相應的調整，藉此平衡及減少公司運作風險及不妥當的地方。

與股東及投資者的溝通

董事會認同與所有股東有良好的溝通至為重要，公司的週年股東大會提供寶貴場合讓董事會直接與股東溝通。董事會主席以及審核委員會、提名委員會及薪酬委員會的主席，連同外聘核數師均會出席股東週年大會，解答股東提問。有關股東週年大會的通函於大會舉行前最少二十一天寄發予所有股東，通函載列要求及舉行票選的程序及其他建議的議案的有關資料。

以投票方式表決

於其召開股東大會之通函內，本公司告知股東以投票方式表決之程序以及股東要求以投票方式表決之權利，從而確保遵守投票表決程序之規定。根據本公司之公司細則第66及67條，於任何股東大會上提呈之投票表決之決議案須以舉手方式決定，惟投票表決可由以下人士（於宣佈舉手表決結束或撤銷任何其他投票表決之要求時或之前）要求進行：

- 1) 主席；
- 2) 當時有權在大會上投票之至少三名親身出席或由正式授權公司代表或委任代表出席之股東；

INTERNAL CONTROL

The Board of the Company noted that code provision C.2 required the Board to review the soundness and the effectiveness of the internal control system in order to protect the interests of the shareholders and the assets of the Company. In December 2005, the Board of the Company appointed independent external auditors to conduct a review of the effectiveness of the internal control systems of the Company and its subsidiaries, covering all material controls, including financial, operational and compliance controls and risks management functions. Upon completion of the internal control review report, the Company shall make improvement according to the recommendations of the report in order to optimise and minimise operational risks and areas of irregularities.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognizes the importance of good communications with all shareholders. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board as well as the chairman of the Audit, Nomination and Remuneration Committees together with the external auditors are present to answer shareholders' questions. An annual general meeting circular is distributed to all the shareholders at least 21 days before the annual general meeting. It sets out the procedures for demanding and conducting a poll and other relevant information of proposed resolutions.

VOTING BY POLL

The Company informs the shareholders in a circular convening a general meeting of the procedures for voting by poll and the rights of shareholders to demand a poll to ensure compliance with the requirements on the poll voting procedures. In accordance with Bye-Law 66 and 67 of the Company, at any general meeting a resolution put to voting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any demand for a poll) demanded by:

- 1) the chairman;
- 2) at least three shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting;

公司管治報告

Corporate Governance Report

32

以投票方式表決 (續)

- 3) 佔在大會上擁有投票權之全體股東總投票權不少於十分之一之任何親身出席或由正式授權公司代表或委任代表出席之任何一名或以上股東；或
- 4) 持有獲賦權利可在大會上投票之本公司股份（其已繳足總額股份相等於不少於賦予該權利之所有股份已繳足總額十分之一）之任何親身出席或由正式授權公司代表或委任代表出席之任何一名或以上股東。

本公司應點算所有委任代表投票的票數以及除非要求以投票方式進行表決，大會主席應在會上表明每項決議案的委任代表投票比例，以及贊成和反對票數（如以舉手方式表決）。本公司應確保所有票數均適當點算及記錄在案。

大會主席應於大會開始時就下列提供解釋：

- 1) 股東於以舉手表決方式投票前要求以投票方式進行表決之程序；及
- 2) 進行投票之詳細程序並答覆要求以投票方式進行表決時股東所詢問之任何問題。

VOTING BY POLL (Continued)

- 3) any shareholder or shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the rights to vote at the meeting; or
- 4) a shareholder or shareholders present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The Company should count all proxy votes and, except where a poll is required, the chairman of a meeting should indicate to the meeting the level of proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands. The Company should ensure that votes cast are properly counted and recorded.

The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:

- 1) the procedure for demanding a poll by shareholders before putting a resolution to the vote on a show of hands; and
- 2) the detailed procedures for conducting a poll and then answer any questions from shareholders whenever voting by way of a poll is required.