

企業管治報告書 Corporate Governance Report

企業管治常規

本公司已設立正式並具透明度之程序以保障本公司股東之利益。本公司定期檢討本公司之企業管治程序及發展。於回顧期間，本公司已應用香港聯合交易所有限公司（「**聯交所**」）證券上市規則（「**上市規則**」）附錄14所載企業管治常規守則所列之原則並遵守所有守則條文，惟以下各項除外：

1. 根據守則條文A.2.1，本公司主席與行政總裁（「**行政總裁**」）之角色應有區分，並不應由一人同時兼任。本公司主席與行政總裁之間職責之分工應清楚界定並以書面列載。本公司之主席與行政總裁之角色並無區分，乃由唐錫麟先生一人同時兼任。董事將定期會面以考慮影響本公司營運之重大事項。董事認為此結構將不會損害董事與本公司管理層之權力及職權平衡，並相信此結構將可令本集團迅速及有效率地作出和落實決定；
2. 根據守則條文B.1.1，本公司應設立具有特定成文權責範圍之薪酬委員會；有關權責範圍應清楚說明委員會之權限及職責。本公司於二零零五年四月二十二日前並未根據守則條文B.1.1之規定成立薪酬委員會；及
3. 為填補本公司獨立非執行董事及審核委員會主席曹廣榮先生辭世後所出現之空缺，本公司於二零零五年九月二十一日已委任具有合適資格及經驗之陳浩文先生出任本公司之獨立非執行董事與審核委員會、薪酬委員會及提名委員會成員，以遵守上市規則第3.10(1)及3.21條所載之規定。

CORPORATE GOVERNANCE PRACTICES

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company regularly reviews the corporate governance procedures and developments of the Company. The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the period under review, except that:

1. Under the code provision A.2.1, the roles of chairman and chief executive officer (“**CEO**”) of the Company should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company are not separated and are performed by the same individual, Mr. Tong Shek Lun. The Directors will meet regularly to consider major matters affecting the operations of the Company. The Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Company and believes that this structure will enable the Group to make and implement decisions promptly and efficiently;
2. Under the code provision B.1.1, the Company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. It was not until 22 April 2005 that the Company established a remuneration committee as required under the code provision B.1.1; and
3. To replace the vacancy arised from the passing away of Mr. Tsao Kwang Yung, Peter, an independent non-executive Director and the chairman of the audit committee of the Company, on 21 September 2005, the Company has appointed Mr. Chan Ho Man, who possesses the appropriate qualification and experience, as an independent non-executive Director and a member of audit committee, remuneration committee and nomination committee of the Company to comply with the requirements as set out under Rules 3.10(1) and 3.21 of the Listing Rules.

董事之證券交易

本公司已採納一項其條款不低於上市規則附錄10載列所需交易標準之董事進行證券交易之行為守則。經向全體董事作出特定查詢後，各董事於截至二零零五年十二月三十一日止年度已一直遵守該等行為守則及所需交易標準及其有關董事進行證券交易之行為守則。

董事會

於回顧年度，董事會成員包括：

執行董事

唐錫麟先生
李嘉輝先生
高麗瓊女士
鍾惠愉女士

非執行董事

李國樑先生
楊耀宗先生

獨立非執行董事

曹廣榮先生(於二零零五年六月五日辭世)
孫耀全先生
葛根祥先生
陳浩文先生
(於二零零五年九月二十一日獲委任)

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2005.

BOARD OF DIRECTORS

During the year under review, the members of the board of Directors included:

Executive Directors

Mr. Tong Shek Lun
Mr. Li Ka Fai, Fred
Ms. Ko Lai King, Kinny
Ms. Chung Wai Yu, Regina

Non-executive Directors

Mr. Lee Kwok Leung
Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors

Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)
Mr. Sun Yaoquan
Mr. Goh Gen Cheung
Mr. Chan Ho Man
(appointed on 21 September 2005)

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本年度直至本報告日期，董事會多次全體董事會會議。董事會出席董事會會議情況如下：

The board of Directors held several board meetings during the year until the date of this report. Details of the attendance of the meetings of the board of Directors are as follows:-

董事	Directors	出席 Attendance
執行董事		
唐錫麟先生	Mr. Tong Shek Lun	7/7
李嘉輝先生	Mr. Li Ka Fai, Fred	7/7
高麗瓊女士	Ms. Ko Lai King, Kinny	7/7
鍾惠愉女士	Ms. Chung Wai Yu, Regina	7/7
非執行董事		
李國樑先生	Mr. Lee Kwok Leung	4/7
楊耀宗先生	Mr. Yang Yiu Chong, Ronald Jeffrey	4/7
獨立非執行董事		
曹廣榮先生(於二零零五年六月五日辭世)	Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)	1/1
孫耀全先生	Mr. Sun Yaoquan	7/7
葛根祥先生	Mr. Goh Gen Cheung	7/7
陳浩文先生(於二零零五年九月二十一日獲委任)	Mr. Chan Ho Man (appointed on 21 September 2005)	5/5

除本年度上述董事會定期會議外，董事會將於須就特定事項作出董事會層面之決定之其他情況下舉行會議。董事於每次董事會會議前取得議程項目及委員會會議記錄之詳情。董事會保留其對企業策略、全年及中期業績、董事委任、繼任計劃、風險管理、重大收購、出售及資本交易，以及其他重大營運及財務事宜之決策及審議權。董事會向管理層作出特定委託之主要企業事宜包括編製全年及中期賬目以於公開報告前供董事會批准、執行董事會採納之業務策略及新計劃、實行充分之內部監控系統及風險管理程序，以及遵守相關法例規定、規則及規例。

Apart from the above regular board meetings of the year, the board of Directors will meet on other occasions when a board-level decision on a particular matter is required. The Directors receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting. The board of Directors has reserved for its decision or consideration matters covering corporate strategy, annual and interim results, Directors' appointment, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the board of Directors to the management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the board of Directors, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements, rules and regulations.

獨立非執行董事曹廣榮先生於二零零五年六月五日辭世。於彼辭世後，本公司僅有兩名獨立非執行董事，因而違反上市規則第3.10(1)條須最少有三名獨立非執行董事之規定。就此而言，本公司已盡最大努力物色適當人選以填補空缺，而本公司已於二零零五年九月二十一日委任陳浩文先生為獨立非執行董事。除已披露者外，本公司於年內已根據上市規則委任三名具備合適及充足經驗及資格之獨立非執行董事，以履行彼等之職責，保障本公司股東之利益。

另外，董事會已成立審核委員會、薪酬委員會及提名委員會；各委員會之職責已於董事會會議中討論及批准。

主席及行政總裁

根據守則條文A.2.1，本公司主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司主席與行政總裁之間職責之分工應清楚界定並以書面列載。本公司之主席與行政總裁之角色並無區分，乃由唐錫麟先生一人同時兼任。董事將定期會面以考慮影響本公司營運之重大事項。董事認為此結構將不會損害董事與本公司管理層之權力及職權平衡，並相信此結構將可令本集團迅速及有效率地作出和落實決定。

非執行董事

李國樑先生、楊耀宗先生、孫耀全先生及葛根祥先生各自之任期由二零零六年一月一日開始，至二零零六年十二月三十一日，為期一年。陳浩文先生之任期由二零零五年九月二十一日開始，至二零零六年九月二十日，為期一年。彼等全部均須根據本公司細則輪值告退。

Mr. Tsao Kwang Yung, Peter, an independent non-executive Director, passed away on 5 June 2005. Following of his death, the Company had only two independent non-executive Directors which fell below the minimum number of three independent non-executive Directors as required under Rule 3.10(1) of the Listing Rules. The Company have used its best endeavour to find a suitable candidate to fill in the vacancy and the Company appointed Mr. Chan Ho Man as an independent non-executive Director on 21 September 2005. Save as disclosed, the Company has appointed three independent non-executive Directors who have appropriate and sufficient experience and qualification pursuant to the Listing Rules to carry out their duties so as to protect the interests of shareholders of the Company during the year.

Besides, the board of Directors established the audit committee, remuneration committee and nomination committee and their duties were discussed and approved in the board meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company are not separated and are performed by the same individual, Mr. Tong Shek Lun. The Directors will meet regularly to consider major matters affecting the operations of the Company. The Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Company and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

NON-EXECUTIVE DIRECTORS

Each of Mr. Lee Kwok Leung, Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Sun Yaoquan and Mr. Goh Gen Cheung has been appointed for a term of one year commencing from 1 January 2006 to 31 December 2006. Mr. Chan Ho Man has been appointed for a term of one year commencing from 21 September 2005 to 20 September 2006. All of them are subject to retirement by rotation in accordance with the bye-laws of the Company.

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董事之薪酬

根據守則條文B.1.1，本公司應設立具有特定成文權責範圍之薪酬委員會；有關權責範圍應清楚說明委員會之權限及職責。然而，本公司於二零零五年四月二十二日前並未根據守則條文B.1.1之規定成立薪酬委員會（「薪酬委員會」）。薪酬委員會之角色及職能包括釐訂全體執行董事及高級管理人員之特定薪酬待遇，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之賠償），並就非執行董事之薪酬向董事會提出建議。

本年度直至本報告日期，薪酬委員會之成員包括：

唐錫麟先生（主席）
曹廣榮先生（於二零零五年六月五日辭世）
葛根祥先生
陳浩文先生（於二零零五年九月二十一日獲委任）

薪酬委員會會議於二零零五年四月二十二日、二零零五年九月二十一日、二零零六年三月二十八日及二零零六年四月十九日舉行，以討論薪酬相關事宜。薪酬委員會會議之出席詳情如下：

成員	Members	出席 Attendance
唐錫麟先生	Mr. Tong Shek Lun	4/4
曹廣榮先生（於二零零五年六月五日辭世）	Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)	1/1
葛根祥先生	Mr. Goh Gen Cheung	4/4
陳浩文先生（於二零零五年九月二十一日獲委任）	Mr. Chan Ho Man (appointed on 21 September 2005)	2/2

薪酬委員會已參照包括可比較公司所支付之薪金、董事之時間承諾及職責、本集團其他職位之僱用條件及應否按表現釐訂薪酬等因素考慮及檢討執行董事聘用合約及獨立非執行董事委任函之現有條款。薪酬

REMUNERATION OF DIRECTORS

Under the code provision B.1.1, the Company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. However, a remuneration committee (the “**Remuneration Committee**”) of the Company was only established until 22 April 2005. The role and function of the Remuneration Committee include the determination of the specific remuneration packages of all executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, such as 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.

During the year till the date of this report, members of the Remuneration Committee included:

Mr. Tong Shek Lun (Chairman)
Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)
Mr. Goh Gen Cheung
Mr. Chan Ho Man (appointed on 21 September 2005)

The meetings of the Remuneration Committee were held on 22 April 2005, 21 September 2005, 28 March 2006 and 19 April 2006 to discuss remuneration related matters. Details of the attendance of the meetings of the Remuneration Committee are as follows:–

The Remuneration Committee has considered and reviewed the existing terms of employment contracts of the executive Directors and appointment letters of the independent non-executive Directors with reference to the factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors,

委員會認為執行董事聘用合約及獨立非執行董事委任函之現有條款屬公平合理。董事之酬金政策詳情載於本報告第46頁。

employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee considers that the existing terms of employment contracts of the executive Directors and appointment letters of the independent non-executive Directors are fair and reasonable. Details of the emolument policy of the Directors are set out on page 46 of this report.

董事之提名

本公司提名委員會（「提名委員會」）於二零零五年四月二十二日成立。提名委員會之角色及職能包括定期檢討董事會之架構、人數及組成並就任何擬作出之變動向董事會提出建議。於回顧年度，董事會考慮董事候選人之過往表現及資格、一般市況及本公司之細則以甄選及推薦董事候選人。

NOMINATION OF DIRECTORS

The nomination committee of the Company (the “Nomination Committee”) was established on 22 April 2005. The role and function of the Nomination Committee include to review the structure, size and composition of the board of Directors on a regular basis and make recommendations to the board of Directors regarding any proposed changes. The board of Directors considers the past performance and qualification of the candidates for Directors, general market conditions and the Company's bye-laws in selecting and recommending candidates for directorship during the year under review.

本年度直至本報告日期，提名委員會之成員包括：

During the year until the date of this report, members of the Nomination Committee included:

唐錫麟先生（主席）
曹廣榮先生（於二零零五年六月五日辭世）
葛根祥先生
陳浩文先生（於二零零五年九月二十一日獲委任）

Mr. Tong Shek Lun (Chairman)
Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)
Mr. Goh Gen Cheung
Mr. Chan Ho Man (appointed on 21 September 2005)

提名委員會會議於二零零五年四月二十二日、二零零五年九月二十一日及二零零六年四月十九日舉行。提名委員會會議之出席詳情如下：

The meetings of the Nomination Committee were held on 22 April 2005, 21 September 2005 and 19 April 2006. Details of the attendance of the meetings of the Nomination Committee are as follows:–

董事	Directors	出席 Attendance
唐錫麟先生	Mr. Tong Shek Lun	3/3
曹廣榮先生（於二零零五年六月五日辭世）	Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)	1/1
葛根祥先生	Mr. Goh Gen Cheung	3/3
陳浩文先生（於二零零五年九月二十一日獲委任）	Mr. Chan Ho Man (appointed on 21 September 2005)	1/1

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於會議上，提名委員會已考慮及決議向本公司推薦保留現時全體董事。另外，根據本公司細則及提名委員會決議，唐錫麟先生、李嘉輝先生及陳浩文先生將會退任，而唐錫麟先生及陳浩文先生將合資格於本公司應屆股東週年大會上膺選連任。

核數師酬金

本公司之外聘核數師為德勤•關黃陳方會計師行。本公司之審核委員會（「**審核委員會**」）負責考慮委任外聘核數師及檢討外聘核數師所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。於回顧年度，本集團已就外聘核數師之非核數服務（包括稅務及其他顧問服務）向外聘核數師支付合共約1,335,000港元。

審核委員會

本公司已按照上市規則第3.21條之規定成立審核委員會；審核委員會具有書面職權範圍，清晰確定該委員會的權力及職責。其主要職責為檢討及監督本集團之財務報告程序及內部監控系統。

本年度直至本報告日期，審核委員會之成員包括：

孫耀全先生
曹廣榮先生（主席）
（於二零零五年六月五日辭世）
葛根祥先生
陳浩文先生（主席）
（於二零零五年九月二十一日獲委任）

During the meetings, the Nomination Committee considered and resolved that all the existing Directors shall be recommended to be retained by the Company. Further, in accordance with the Company's bye-laws and as resolved by the Nomination Committee, Mr. Tong Shek Lun, Mr. Li Ka Fai, Fred and Mr. Chan Ho Man will retire, and Mr. Tong Shek Lun and Mr. Chan Ho Man being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

AUDITORS' REMUNERATION

The Company's external auditors are Deloitte Touche Tohmatsu. The audit committee of the Company (the "**Audit Committee**") is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group. During the year under review, the Group has paid an aggregate of approximately HK\$1,335,000 to the external auditors for their non-audit services including taxation and other advisory services.

AUDIT COMMITTEE

As required by Rule 3.21 of the Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process and internal control systems.

During the year until the date of this report, members of the Audit Committee included:

Mr. Sun Yaoquan
Mr. Tsao Kwang Yung, Peter (Chairman)
（passed away on 5 June 2005）
Mr. Goh Gen Cheung
Mr. Chan Ho Man (Chairman)
（appointed on 21 September 2005）

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直至本報告日期之回顧期間，審核委員會共舉行四次會議。審核委員會會議之出席詳情如下：

The Audit Committee held four meetings during the period under review until the date of this report. Details of the attendance of the meetings of the Audit Committee are as follows:-

成員	Members	出席 Attendance
曹廣榮先生(於二零零五年六月五日辭世)	Mr. Tsao Kwang Yung, Peter (passed away on 5 June 2005)	1/1
孫耀全先生	Mr. Sun Yaoquan	4/4
葛根祥先生	Mr. Goh Gen Cheung	4/4
陳浩文先生(於二零零五年九月二十一日獲委任)	Mr. Chan Ho Man (appointed on 21 September 2005)	3/3

獨立非執行董事及審核委員會成員曹廣榮先生於二零零五年六月五日辭世。於曹廣榮先生辭世後，本公司僅有兩名審核委員會成員，因而違反上市規則第3.21條須最少有三名審核委員會成員之規定。本公司已盡最大努力物色適當人選以填補空缺，而本公司已於二零零五年九月二十一日委任陳浩文先生為審核委員會成員。

Mr. Tsao Kwang Yung, Peter, an independent non-executive Director and a member of the Audit Committee, passed away on 5 June 2005. Following the death of Mr. Tsao Kwang Yung, Peter, the Company had only two audit committee members which fell below the minimum number of three audit committee members as required under Rule 3.21 of the Listing Rules. The Company have used its best endeavour to find a suitable candidate to fill in the vacancy, the Company appointed Mr. Chan Ho Man as an audit committee member on 21 September 2005.

審核委員會已審閱本集團截至二零零五年十二月三十一日止年度之經審核綜合業績。審核委員會認為該等業績之編製符合適用會計準則、上市規則及法律規定，並已作出充分披露。

The Group's audited consolidated results for the year ended 31 December 2005 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

審核委員會認為有關委任本公司外聘核數師之現行計劃條款屬公平合理。

The Audit Committee considered that the existing proposed terms in relation to the appointment of the Group's external auditors are fair and reasonable.

董事及核數師對賬目之責任

DIRECTORS' AND AUDITORS RESPONSIBILITIES FOR ACCOUNTS

董事對賬目之責任及外聘核數師對本公司股東之責任載於本報告第48頁。

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders of the Company are set out on page 48 of this report.

內部監控

INTERNAL CONTROL

董事會已對本集團之內部監控系統進行檢討，以確保內部監控系統有效及足夠。董事會定期召開會議以討論財務、經營及風險管理監控。

The Board has conducted a review of the Group's system of internal control to ensure the effective and adequate internal control system. The Board convened meetings regularly to discuss financial, operational and risk management control.