

## Corporate Governance Report 企業管治報告

### GOVERNANCE FRAMEWORK

The Company is committed to building and maintaining high standards of corporate governance practices. The Company has adopted its own Code on Corporate Governance Practices (the "QPL Code") incorporating the principles and code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "CG Code").

### COMPLIANCE WITH THE CG CODE

Throughout the six months ended 31 October 2006, the Company has applied the principles and complied with all the code provisions set out in the CG Code except for the following deviations:

#### (a) Code Provision A.4.1

Code: Code Provision A.4.1 of the CG Code stipulates that every non-executive director should be appointed for a specific term, subject to re-election.

Deviation: All non-executive directors of the Company (the "Director") in office during the six months ended 31 October 2006 were not appointed for a specific term but were subject to retirement and re-election in accordance with the Bye-laws of the Company.

### 管治架構

本公司致力建立及維持高水平之企業管治常規。本公司已採納本身之企業管治常規守則(「QPL守則」)。QPL守則已涵蓋載於香港聯合交易所有限公司證券上市規則附錄14內之企業管治常規守則(「企業管治守則」)所列載之原則及守則條文。

### 遵守企業管治守則

於截至二零零六年十月三十一日止六個月內，本公司已採納原則及遵守企業管治守則所載之所有守則條文，惟以下之偏離情況除外：

#### (a) 守則條文第A.4.1條

守則：企業管治守則之守則條文第A.4.1條規定，各非執行董事均須按指定任期獲委任，並膺選連任。

偏離情況：所有於截至二零零六年十月三十一日止六個月內在任之本公司非執行董事(「董事」)並無按指定任期獲委任，惟須根據本公司之公司細則退任並膺選連任。

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### COMPLIANCE WITH THE CG CODE (Continued)

#### (a) Code Provision A.4.1 (Continued)

Remedy: At the annual general meeting of the Company held on 29 November 2006 (the "2006 AGM"), all non-executive Directors retired from office in accordance with the then Bye-laws of the Company and were re-elected for a fixed term of not more than three years in accordance with the QPL Code, commencing on the date of the 2006 AGM and ending on the earlier of (i) the day immediately preceding the third anniversary of the date of the 2006 AGM; and (ii) the time of their retirement by rotation pursuant to the Bye-laws of the Company.

#### (b) Code Provision A.4.2

Code: Code Provision A.4.2 of the CG Code 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.

Deviation: Under the then Bye-laws of the Company, any Director appointed by the board of directors of the Company (the "Board") to fill a casual vacancy shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Remedy: At the 2006 AGM, a special resolution was passed to amend the Bye-laws of the Company, inter alia, to require that any Director appointed by the Board to fill a casual vacancy shall hold office only until the next general meeting of the Company and shall then be eligible for re-election.

### 遵守企業管治守則 (續)

#### (a) 守則條文第A.4.1條 (續)

補救方法：在本公司於二零零六年十一月二十九日舉行之股東週年大會（「二零零六年度股東週年大會」）上，所有非執行董事均根據本公司當時之公司細則退任，而彼等根據QPL守則膺選連任之固定年期為不超過三年，由二零零六年度股東週年大會舉行日期開始至下列較早日期結束為止：(i)緊接二零零六年度股東週年大會舉行日期三週年前之日；及(ii)彼等根據本公司之公司細則輪值告退之時間。

#### (b) 守則條文第A.4.2條

守則：企業管治守則之守則條文第A.4.2條規定，所有獲委任以填補臨時空缺之董事均須於彼等獲委任後首個股東大會上由股東推選。

偏離情況：根據本公司當時之公司細則，任何獲本公司董事會（「董事會」）委任以填補臨時空缺之董事，任期僅至本公司下屆之股東週年大會，其後並合資格於該大會上膺選連任。

補救方法：於二零零六年度股東週年大會上已通過一項特別決議案以修訂本公司之公司細則，其中包括規定任何獲董事會委任以填補臨時空缺之董事，任期僅至本公司下次舉行之股東大會，其後並合資格膺選連任。

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### COMPLIANCE WITH THE CG CODE (Continued)

#### (b) Code Provision A.4.2 (Continued)

Code: Code Provision A.4.2 of the CG Code also stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Deviation: Directors holding office as executive chairman and/or managing director of the Company are, by virtue of Bermuda law, exempted from retirement by rotation. As the executive Chairman of the Board, Mr. Li Tung Lok is not subject to retirement by rotation.

Remedy: In order to comply with Code Provision A.4.2 of the CG Code, Mr. Li Tung Lok has agreed to voluntarily retire and be re-elected at least once every three years. At the 2006 AGM, Mr. Li Tung Lok voluntarily retired from office and was re-elected as an executive Director. Mr. Li Tung Lok continues to act as the Chairman of the Board.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for dealings in the securities of the Company by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code throughout the six months ended 31 October 2006.

### 遵守企業管治守則 (續)

#### (b) 守則條文第A.4.2條 (續)

守則：企業管治守則之守則條文第A.4.2條亦規定，各董事（包括有指定獲委任年期者）須至少每三年輪值告退一次。

偏離情況：出任本公司執行主席及／或董事總經理之董事乃根據百慕達法例獲豁免輪值告退。李同樂先生作為董事會執行主席，無須輪值告退。

補救方法：為遵守企業管治守則之守則條文第A.4.2條，李同樂先生已同意至少每三年自願退任一次，並願意膺選連任。於二零零六年度股東週年大會上，李同樂先生自願退任及膺選連任為執行董事。李同樂先生繼續出任董事會主席一職。

### 董事進行證券交易之標準守則

董事會已採納上市規則附錄10所載之上市發行人董事進行證券交易之標準守則（「標準守則」），作為董事進行本公司證券買賣之守則。經本公司作出具體查詢後，全體董事確認於截至二零零六年十月三十一日止六個月內均已全面遵守標準守則內載之規定準則。



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### AUDIT COMMITTEE

The Audit Committee was established in April 2000 pursuant to the then Code of Best Practice of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Throughout the six months ended 31 October 2006 and up to the date of the interim report of the Company for the six months ended 31 October 2006, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Sze Tsai To Robert (being the Chairman of the Audit Committee), Mr. Robert Charles Nicholson and Mr. Wong Chun Bong Alex. Mr. Sze Tsai To Robert and Mr. Wong Chun Bong Alex are qualified accountants with extensive experience in accounting, audit and financial matters.

The principal duties of the Audit Committee include:

- assisting the Board in fulfilling its responsibilities by providing an independent review and supervision of the Group's financial reporting system, and effectiveness of the Group's internal control system;
- reviewing the Group's financial information; and
- reviewing the appointment of external auditors to ensure continuing auditor independence.

The interim report of the Company for the six months ended 31 October 2006 has been reviewed by the Audit Committee.

### 審核委員會

審核委員會於二零零零年四月根據當時香港聯合交易所有限公司證券上市規則之最佳常規守則成立。

於截至二零零六年十月三十一日止六個月內及截至本公司截至二零零六年十月三十一日止六個月之中期報告日期，審核委員會包括三位獨立非執行董事，即史習陶先生（審核委員會主席）、黎高臣先生及王振邦先生。史習陶先生及王振邦先生為合資格會計師，於會計、核數及財務事宜上具豐富經驗。

審核委員會之主要職責包括：

- 透過提供獨立審閱及監督本集團之財務申報系統及本集團內部監控系統之效率，協助董事會履行其責任；
- 審閱本集團之財務資料；及
- 審閱外聘核數師之任命，以確保繼任核數師之獨立性。

本公司截至二零零六年十月三十一日止六個月之中期報告已由審核委員會審閱。