

CORPORATE GOVERNANCE REPORT

企業管治報告

The manner in which the principles and code provisions in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”) are applied and implemented are explained as follows:

Corporate governance practices

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2006 except for the deviation from Code Provision A.4.1 as described in this report.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

The Board

Board composition

The Board of the Company comprises the following directors during the year ended 31 December 2006:

Executive Directors

Arthur H. del Prado
(Chairman of the Board and Remuneration Committee)

Lam See Pong, Patrick *
(Managing Director and Chief Executive Officer)

Fung Shu Kan, Alan
(Financial Director)

Non-executive Director

Arnold J.M. van der Ven
(Member of Audit Committee with effect from 15 December 2006)

採納及遵守根據香港聯合交易所有限公司（「聯交所」）制訂之證券上市規則（「上市規則」）附錄十四「企業管治常規守則」（「守則」）所附載的原則（「原則」）和守則條文（「守則條文」）的方式註解如下：

企業管治常規

本集團要達到高標準的企業管治，以保護股東的權益和提高公司價值和問責度。

截至二零零六年十二月三十一日止年度內，本公司已遵守全部守則條文，而就守則條文 A.4.1 而言，惟有以下偏離行為，已於本報告內詳述。

本公司定期檢討企業管治方案，以確保遵守守則。

董事會

董事會組成

截至二零零六年十二月三十一日止年度內，本公司董事會由以下董事組成：

執行董事

Arthur H. del Prado
(董事會主席及薪酬委員會主席)

林師龐 *
(董事總經理及行政總裁)

馮樹根
(財務董事)

非執行董事

Arnold J. M. van der Ven
(於二零零六年十二月十五日被委任為審核委員會成員)

The Board continued

Board composition continued

Independent Non-executive Directors

Orasa Livasiri
(Chairman of Audit Committee and Member of Remuneration Committee)

Tang Koon Hung, Eric **
(Member of Audit Committee and Remuneration Committee)

Lee Shiu Hung, Robert
(Member of Audit Committee and Remuneration Committee)

* Mr. Lam See Pong, Patrick was re-designated from Executive Director to Non-executive Director and Honorary Chairman and ceased to be the Managing Director and Chief Executive Officer all with effect from 1 January 2007.

** Mr. Tang Koon Hung, Eric was re-designated from Independent Non-executive Director to Executive Director, appointed as Chief Financial Officer and ceased to be member of the Audit Committee and the Remuneration Committee all with effect from 1 February 2007.

After the year ended 31 December 2006, Mr. Lo Tsan Yin, Peter, Mr. Lee Wai Kwong and Mr. Chow Chuen, James were appointed as Executive Directors with effect from 1 January 2007. Upon their appointments, Mr. Lo Tsan Yin, Peter acts as the Company's Vice Chairman, Mr. Lee Wai Kwong acts as the Company's Chief Executive Officer and Mr. Chow Chuen, James acts as the Company's Chief Operating Officer.

None of the members of the Board is related to one another.

During the year ended 31 December 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

董事會 續

董事會組成 續

獨立非執行董事

Orasa Livasiri
(審核委員會主席及薪酬委員會成員)

鄧冠雄 **
(審核委員會及薪酬委員會成員)

李兆雄
(審核委員會及薪酬委員會成員)

* 林師龐先生已由本公司的執行董事被重新任命為非執行董事兼榮譽主席，由二零零七年一月一日生效。並由該日起，辭任本公司董事總經理及行政總裁。

** 鄧冠雄先生已由本公司的獨立非執行董事被重新任命為執行董事，並已獲委任為首席財務總監，自二零零七年二月一日起生效。並由該日起，辭任本公司審核委員會及薪酬委員會成員之職務。

於二零零六年十二月三十一日止年度後，盧燦然先生、李偉光先生和周全先生被委任為執行董事，自二零零七年一月一日起生效。在彼等獲委任的同時，盧燦然先生亦擔任本公司副主席、李偉光先生亦擔任本公司行政總裁和周全先生亦擔任本公司首席營運總監。

所有董事會成員皆沒有任何親屬關係。

截至二零零六年十二月三十一日止年度，董事會一直符合上市規則規定有關委任至少三位獨立非執行董事，而至少其中一位獨立非執行董事具備合適的專業資格，或具備會計或相關的財務管理專長。

The Board continued

Board composition continued

With effect from 1 February 2007, Mr. Tang Koon Hung, Eric was re-designated from Independent Non-executive Director to Executive Director. Following the aforesaid re-designation, the Company has only two independent non-executive directors. The Board has just appointed Mr. Lok Kam Chong, John as Independent Non-executive Director with effect from 9 March 2007. Mr. Lok has also been appointed as member of the Audit and Remuneration Committees. After this appointment, the Company will meet the requirement of the Listing Rules to have at least three independent non-executive directors and will fill the vacancy in Remuneration Committee.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority. The position of the Chairman is held by Mr. Arthur H. del Prado while the position of Chief Executive Officer was held by Mr. Lam See Pong, Patrick during the year ended 31 December 2006 and is held by Mr. Lee Wai Kwong since 1 January 2007. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures. With the support of the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The Chief Executive Officer, supported by the executive directors, is responsible for managing the Group's business, including implementation of objectives, policies and major strategies and initiatives adopted by the Board.

董事會 續

董事會組成 續

由二零零七年二月一日起，鄧冠雄先生已由本公司的獨立非執行董事被重新任命為執行董事，自該日後，本公司只有兩名獨立非執行董事。董事會亦剛已委任樂錦壯先生為本公司獨立非執行董事，由二零零七年三月九日起生效。彼亦被委任為審核委員會及薪酬委員會成員。自此委任後，本公司將符合上市規則內有關委任至少三位獨立非執行董事和填補薪酬委員會之空缺的規定。

根據上市規則規定，本公司已收到每位獨立非執行董事之書面年度確認，確認其獨立性。本公司根據上市規則所載之獨立守則認為全部獨立非執行董事確屬獨立人士。

主席及行政總裁

公司全力支持主席及行政總裁之間的職責分工，以確保權力和授權分佈均衡。截至二零零六年十二月三十一日止年度，主席及行政總裁之職位分別由 Arthur H. del Prado 先生及林師龐先生擔任，自二零零七年一月一日起，行政總裁由李偉光先生出任。其各自的職責已清楚界定並以書面列載。

主席領導及負責使董事會按良好的企業管治常規和程序恰當地運作。在高級管理人員的支援下，主席亦負責確保董事適時收到充分、完備及可靠的資訊，以及於董事會會議上就商討之事項得到所需的簡報。

在執行董事的支援下，行政總裁負責管理集團的業務，包括實行由董事會制訂的目標、政策及主要策略和建議。

The Board continued

Appointment and re-election of directors

In accordance with the Company's Articles of Association ("Articles") which were amended by a special resolution at the annual general meeting held on 24 April 2006 for the purpose of compliance with the CG Code, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy or as an addition to the Board shall submit himself for re-election by shareholders at the first general meeting after appointment.

The Company has not yet adopted Code Provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election. All the non-executive directors of the Company are not appointed for a specific term but they are subject to retirement by rotation and re-election at the Company's annual general meetings at least once every three years pursuant to the Company's Articles. As such, the Company considers that such provisions in the Articles are sufficient to meet the underlying objective of the relevant provision of the CG Code.

The Board reviewed its own structure, size and composition regularly to ensure that there is a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The Company does not have written director nomination procedure.

The Chairman and the Chief Executive Officer are responsible for the selection and recommendation of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

董事會 續

董事委任及重選

本公司已於二零零六年四月二十四日舉行之股東週年大會上由特別決議案通過更改本公司之組織章程細則(「章程細則」)，以確保本公司遵守守則條文。根據本公司已更改的章程細則，規定所有董事均須每三年輪流退任一次，而為填補臨時空缺而被委任的新增董事則須於其獲委任後首次股東大會上接受股東投票重選。

本公司未有採納守則條文 A.4.1 規定非執行董事的委任應有指定任期，並須接受重新選舉。本公司全部非執行董事均沒有指定任期，惟實際上根據本公司的章程細則，彼等均須至少每三年一次於本公司股東週年大會上輪換卸任及須再次參選方可連任。故此本公司認為此章程細則之規定實際上足以達到有關守則條文的根本目的。

董事會定期檢討成員架構、人數及組合，務求平衡各方的專業知識、技巧及經驗，以符合本公司的業務要求。本公司並無提名董事的書面程序。

主席及行政總裁負責根據候選人的專長、資歷、專業知識、個人誠信及所投入時間，以及本公司的需求和其他相關法定要求及守則，作出遴選及推薦。

The Board continued

Appointment and re-election of directors continued

Mr. Lo Tsan Yin, Peter, Mr. Lee Wai Kwong and Mr. Chow Chuen, James, were selected and recommended for directorship whose appointment as executive directors were formalised and effective on 1 January 2007. They shall retire and being eligible, offer themselves for re-election at the forthcoming general meeting pursuant to Article 117 of the Company's Articles.

Mr. Lok Kam Chong, John, an Independent Non-executive Director who has just been appointed and whose appointment shall be effective on 9 March 2007, shall also retire and being eligible, offer himself for re-election at the forthcoming general meeting pursuant to Article 117 of the Company's Articles.

In addition, Miss Orasa Livasiri, Mr. Tang Koon Hung, Eric and Mr. Lee Shiu Hung, Robert shall retire by rotation in accordance with Article 113 of the Company's Articles and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Board recommended the re-appointment of the directors standing for re-election at the 2007 annual general meeting of the Company.

The Company's circular dated 30 March 2007 contains detailed information of the directors standing for re-election.

Induction and continuing development for directors

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has proper understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development to directors will be arranged whenever necessary.

董事會 續

董事委任及重選 續

盧燦然先生、李偉光先生和周全先生被推薦並獲選委任為執行董事，於二零零七年一月一日起生效。根據本公司的章程細則第 117 條，將依章告辭董事職位，而彼等具資格並表示願意於即將舉行之股東大會上膺選連任。

樂錦壯先生已剛被委任為本公司獨立非執行董事，由二零零七年三月九日起生效，根據本公司的章程細則第 117 條，亦將依章告辭董事職位，而彼具資格並表示願意於即將舉行之股東週年大會上膺選連任。

與此同時，Orasa Livasiri 小姐、鄧冠雄先生和李兆雄先生根據本公司的章程細則第 113 條，將依章告辭董事職位，而彼等具資格並表示願意於即將舉行之股東大會上膺選連任。

董事會建議於 2007 年股東週年大會上重新委任正待重選之董事。

上述正待重選董事之詳細資料列載於本公司在二零零七年三月三十日發出之股東通函內。

董事就任須知及其持續培訓

每位新委任董事均在首次接受委任時獲得全面、正式及特為其而設的就任須知，以確保他對本公司的業務及運作均有適當的理解，以及全面認知其本身在上市規則及相關監管規定下對其責任及義務的要求。

董事會持續更新有關法律及相關監管規定的培訓，及業務和市場變動，從以幫助他們履行其職責。本公司亦會在有需要時為董事提供持續簡報及專業培訓。

The Board continued

Board meetings

Board practices and conduct of meetings

Notices of regular Board meetings are served to all directors at least 14 days before the meetings while reasonable notice is generally given for other board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or to the respective committee members at least 2 days before each Remuneration Committee meeting or at least 4 days before each Audit Committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

Minutes of all Board meetings and audit committee meetings are kept by the Company Secretary while minutes of Board meetings relating to the Employee Share Incentive Scheme and Remuneration Committee meetings are kept by the executive secretary of the Chief Executive Officer. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

董事會 續

董事會會議

會議的應用指引及守則

所有董事均於董事會定期會議舉行至少十四天前接獲通知，而其他董事會會議則於合理時間前發出通知。委員會會議亦按有關職權範圍所規定的通知期發出通知。

會議議程、會議文件及有關適當、完備及可靠資訊至少於董事會會議前三天送交全體董事，在薪酬委員會會議前兩天、或審核委員會會議前四天送交有關委員會成員，以確保董事能夠在掌握公司最新的發展及財務狀況下作出決定。董事會及每位董事在需要時有自行接觸高級管理人員的獨立途徑。

公司秘書備存所有董事會及審核委員會的會議紀錄，而有關僱員股份獎勵制度的董事會及薪酬委員會的會議紀錄則由行政總裁的秘書備存。會議紀錄初稿在會議後合理期間內先予所有董事傳閱及表達意見，而最後定稿則公開予所有董事查閱。

根據現行董事會守則，任何牽涉大股東或董事有利益衝突的重大交易，應由董事會以適當的董事會議處理。本公司之章程細則亦有條款要求有關董事於董事會會議上表決通過涉及其或其任何聯繫人的重大利益之交易時，必須放棄表決權，且不得計入通過會議的法定人數。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board continued

Board meetings continued

Directors' attendance records

Five Board meetings were held during the year.

The individual attendance (either in person or through other electronic means of communication) record of each director at the meetings of the Board, the Audit Committee and the Remuneration Committee during the year ended

31 December 2006 is set out below:

董事會 續

董事會會議 續

董事出席率

本公司於本年度內舉行了五次董事會會議。

下表詳列截至二零零六年十二月三十一日止年度，個別董事於董事會、薪酬委員會及審核委員會的會議出席紀錄(親身或透過電子通訊設備出席會議)。

Directors 董事名稱		Attendance / Number of Meetings held during the tenure of directorship 董事於就任期內出席次數 / 會議總數		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<i>Executive Directors</i> 執行董事				
Arthur H. del Prado (Chairman of the Board and Remuneration Committee)	Arthur H. del Prado (董事會主席及薪酬委員會主席)	5/5	N/A	4/4
Lam See Pong, Patrick (Managing Director and Chief Executive Officer)	林師龐 (董事總經理及行政總裁)	5/5	N/A	N/A
Fung Shu Kan, Alan (Financial Director)	馮樹根 (財務董事)	5/5	N/A	N/A
<i>Non-executive Director</i> 非執行董事				
Arnold J.M. van der Ven (appointed on 14 March 2006 and became member of Audit Committee on 15 December 2006)	Arnold J.M. van der Ven (分別於二零零六年三月十四日及二零零六年十二月十五日獲委任為非執行董事及審核委員會成員)	4/4	0/0	N/A
<i>Independent Non-executive Directors</i> 獨立非執行董事				
Orasa Livasiri (Chairman of Audit Committee)	Orasa Livasiri (審核委員會主席)	5/5	5/5	4/4
Tang Koon Hung, Eric	鄧冠雄	5/5	5/5	4/4
Lee Shiu Hung, Robert	李兆雄	5/5	5/5	4/4

The Board continued

Model code for securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2006.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by employees (the "Employees Written Guidelines") who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

Delegation of management functions

The Company has formalized and adopted the written terms on the division of functions reserved to the Board and delegated to the management.

The Board reserves for its decisions all major matters of the Company, including: objectives and overall strategies of the Company; annual budgets and financial matters; internal control and risk management systems; equity related transactions such as issue of shares/options, repurchase of shares, dividend, raising of capital loan; determination of major business strategy; merger and acquisition; disposal of business unit; major investment; annual financial budget in turnover, profitability and capital expenditure; review and approval of financial performance and announcement; and matters as required by laws and regulations.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

董事會 續

進行證券交易的標準守則

本公司已採納上市規則附錄十所載之「上市發行人董事進行證券交易的標準守則」(「標準守則」)。

本公司已對全體董事作出具體查詢，而董事確認於截至二零零六年十二月三十一日止年度內均遵守「標準守則」。

本公司亦已就有關僱員買賣證券事宜設定書面指引(「僱員書面指引」)，指引內容不比標準守則寬鬆。有關僱員指可能會擁有關於本公司的未公開股價敏感資料的僱員。

本公司並無發現有任何僱員不遵守「僱員書面指引」。

管理職能分配

本公司已釐訂及執行有關董事會及管理層職能分配之書面守則。

董事會對於公司所有主要事務保留決策權，包括：公司的目標及全面策略、年度預算和財務事項、內部監控和風險管理機制、與股票證券有關的交易如發行股票/認股証、股票回購、股息、籌募資本貸款、制訂主要業務策略、收購合併、出售業務、重大投資、年度營業額、盈利能力和資本性支出的財政預算、審閱及審批財政表現及公告，以及處理法律和監管規定要求的事務。

所有董事能全權和適時取得所有有關的資料，以及公司秘書的意見和服務，以確保遵守董事會程序及所有適用規則及規例。在合理及適當的情況下，每位董事均可向董事會要求以本公司經費諮詢獨立專業意見。

Delegation of management functions continued

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has established two committees, namely, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company's website and are available to shareholders upon request.

The Board committees are provided with sufficient resources to discharge their duties.

Remuneration of directors

The Company has established a formal and transparent procedure for formulating policies on remuneration of the executive directors of the Company. Details of the remuneration of each of the directors of the Company for the year ended 31 December 2006 are set out on page 74 in note 12 to the consolidated financial statements.

Remuneration Committee

The Remuneration Committee comprises four members during the year ended 31 December 2006, Mr. Arthur H. del Prado is the chairman while all the three independent non-executive directors are members.

The primary functions of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

管理職能分配 續

本公司日常的管理、行政和運作皆授權予行政總裁及高級管理層，董事會亦會定時檢討所授予之職能和工作任務。上述管理層所進行的任何重大業務交易均須得到董事會核准。

董事會已成立兩個委員會，分別為薪酬委員會及審核委員會以監察公司不同層面的事務。所有公司董事委員會之成立均有書面界定之職權範圍，並已刊載於公司網頁，如股東有需要時可向公司索取查閱。

董事委員會獲得充足資源以履行其職責。

董事薪酬

本公司已設立一套正規而具透明度的程序，以制訂有關執行董事酬金的政策。有關本公司每位董事於截至二零零六年十二月三十一日止年度之酬金詳列於財務報表第107頁之綜合財務報表附註第12項。

薪酬委員會

截至二零零六年十二月三十一日止年度，薪酬委員會共有四位成員。Arthur H. del Prado先生為委員會主席，而全體三位獨立非執行董事為薪酬委員會成員。

薪酬委員會的主要職務包括建議和批准有關執行董事及高級管理人員酬金政策、結構及薪酬待遇。薪酬委員會亦負責設立一套正規而具透明度的程序，以制定酬金的政策和結構，並確保任何董事或其任何聯繫人士不得參與訂定其本身的酬金。該酬金將按個人及公司的表現，以及市場的常規和情況而釐定。

Remuneration of directors continued

Remuneration Committee continued

The Remuneration Committee held four meetings during the year ended 31 December 2006 and the attendance records are set out under “Directors’ Attendance Records” on page 49.

The Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive directors for the year under review.

The Remuneration Committee has also consulted the Chairman and/or the Chief Executive Officer of the Company about their recommendations on remuneration policy and packages of the executive directors.

Accountability and audit

Directors’ responsibilities for financial reporting

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2006.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company put to the Board for approval.

Internal controls

During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Group.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor shall review and evaluate the control process and monitor any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

董事薪酬 續

薪酬委員會 續

薪酬委員會已於截至二零零六年十二月三十一日止年度期間舉行四次會議，有關會議出席紀錄詳列於第 49 頁之「董事出席率」。

薪酬委員會已檢討本公司執行董事於該回顧年度內的酬金政策、結構及酬金待遇。

薪酬委員會亦就執行董事的薪酬政策及待遇的有關建議諮詢公司主席及 / 或行政總裁。

問責及審核

董事於財務報告的責任

董事已確知其在編製截至二零零六年十二月三十一日止年度財務報表的責任。

董事會負責平衡、清晰及明白地評審公司之年度及中期報告、涉及股價敏感資料之公佈及根據上市規則及其他監管規條規定須予披露的其他財務資料。

管理層須向董事會提供解釋及資料，使其能就提交予董事會批核的財務資料和狀況作出一個有根據的評審。

內部監控

董事會於回顧年度內已對本集團內部監控系統是否具備有效性作出檢討。

本集團內部監控系統的設計能使公司更有效地和有效率地運作，並確保財務報告的可靠性及遵守適用法例和規條，識別和處理有潛在性的風險，以保障本集團的資產。內部審計師將經常性檢討和評估監控過程，及監控任何風險因素，並就任何違規發現、已確定的風險及相關應對措施向審核委員會作出報告。

Accountability and audit continued

Internal controls continued

The Financial Director gave two presentations to the Audit Committee on the financial and internal control system of the Company, using the nine business cycles identified for the Sarbanes Oxley Act readiness programme as a basis for the Audit Committee's review of the internal controls of the Company. The Committee was satisfied with the existing controls as presented.

Audit Committee

The Audit Committee comprises the three independent non-executive directors (including two independent non-executive directors who possess the appropriate professional qualifications or accounting or related financial management expertise) during the year ended 31 December 2006 with Miss Orasa Livasiri as the chairman of the committee.

Mr. Arnold J.M. van der Ven joined the Audit Committee on 15 December 2006. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board.
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

問責及審核 續

內部監控 續

財務董事已向審核委員會在財務和內部監控系統方面作出兩次簡報，以在 Sarbanes Oxley Act 就緒計劃所識別的九個業務流程為基礎，供審核委員會審閱本公司的內部監控制度。審核委員會對簡報中所述的現行監控表示滿意。

審核委員會

於截至二零零六年十二月三十一日止年度期間，審核委員會成員為三位獨立非執行董事（包括兩位持有合適專業資格，或於會計、相關財政管理擁有專門知識的獨立非執行董事），委員會主席由 Orasa Livasiri 小姐擔任，而 Arnold J.M. van der Ven 先生於二零零六年十二月十五日加入為審核委員會成員，審核委員會中並無任何成員曾為本公司現時外聘核數師的前合夥人。

審核委員會的主要責任如下：

- 於提呈董事會前，審閱財務報表、財務報告及考慮所有由合資格會計師、內部審核師或外聘核數師提出的重大或不尋常事項。
- 審閱公司與外聘核數師的關係，就外聘核數師的工作、酬金及聘用條款，向董事會提供有關外聘核數師之委任、重新委任及罷免的建議。
- 審閱公司財務申報制度、內部監控系統、風險管理系統及有關程序是否足夠及有效。

Accountability and audit continued

Audit Committee continued

The Audit Committee held five meetings during the year ended 31 December 2006 and the attendance records are set out under "Directors' Attendance Records" on page 49.

During the year under review, the Audit Committee has reviewed the Group's annual results and annual report for the year ended 31 December 2005, interim results for the six months' period ended 30 June 2006, financial controls system, internal controls system and risk management system as well as the work plan for 2006 audit and fees budget of the auditors and made recommendations on the re-appointment of the auditors.

There is no material uncertainty relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

Auditors' remuneration

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 56 to 57.

During the year under review, the remuneration paid to the Company's auditors, Messrs. Deloitte Touche Tohmatsu, in respect of audit services amounted to HK\$4,618,000 and non-audit services amounted to HK\$6,934,000 which were reviewed and approved by the Audit Committee.

The Audit Committee recommends the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditors at the forthcoming annual general meeting.

問責及審核 續

審核委員會 續

審核委員會於截至二零零六年十二月三十一日止年度內共召開了五次會議，有關會議出席紀錄詳列於第 49 頁之「董事出席率」。

於回顧年度內，審核委員會已審閱了本集團截至二零零五年十二月三十一日止年度之全年業績和年報、截至二零零六年六月三十日止六個月之中期業績、財務監控系統、內部監控系統和風險管理系統，及二零零六年度審計的工作計劃及其費用預算，並提供重新委任外聘核數師的建議。

並無任何重大不明朗事件或情況可能會影響本公司持續經營的能力。

董事會及審核委員會並無就挑選、委任、辭職或解僱外聘核數師出現意見不一致的情況。

核數師酬金

本公司外聘核數師已於第 56 頁至 57 頁之獨立核數師報告就他們於財務報表的報告責任作出聲明。

於回顧年度內，本公司對外聘核數師德勤•關黃陳方會計師行就審核及非審核服務之酬金開支分別為港幣 4,618,000 元及港幣 6,934,000 元，並經審核委員會審閱和批核。

審核委員會建議於即將舉行之股東週年大會重新委任德勤•關黃陳方會計師行為核數師。

Communications with shareholders and investors

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decision.

The general meetings of the Company provide the best opportunity for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees and, where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

Shareholder rights

To safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the re-election of the retiring directors.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings at which voting is taken on a poll are contained in the Company's Articles. Details of such rights to demand a poll were included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Company and of the Stock Exchange.

與股東及投資者的溝通

本公司相信與股東有效的溝通對加強與投資者的關係和加深投資者對本集團業務表現及策略的認識是十分重要的。本集團亦認為高透明度及適時披露公司資料的重要性能使股東和投資者更能作出最佳的投資決定。

公司的股東大會為股東和董事會提供溝通的最好機會。董事會主席及審核委員會及薪酬委員會主席或其他委員會會員，以及其他獨立董事委員會(如適用)(若有關主席缺席)，皆可於會議上答問問題。

股東權利

為保障股東利益和權利，股東大會中已就各項問題提出個別決議案，其中包括退任董事之重選。

股東之權利及有關要求在股東大會以投票方式表決及在此會上以投票方式表決的程序已載列於公司之章程細則。有關權利及程序的詳情亦載列於所有股東通函內，並將在會議期間解釋。

投票結果將於股東大會後第一個工作天刊登於報章，並於公司和聯交所的網站公佈。