

CORPORATE GOVERNANCE REPORT

企業管治報告

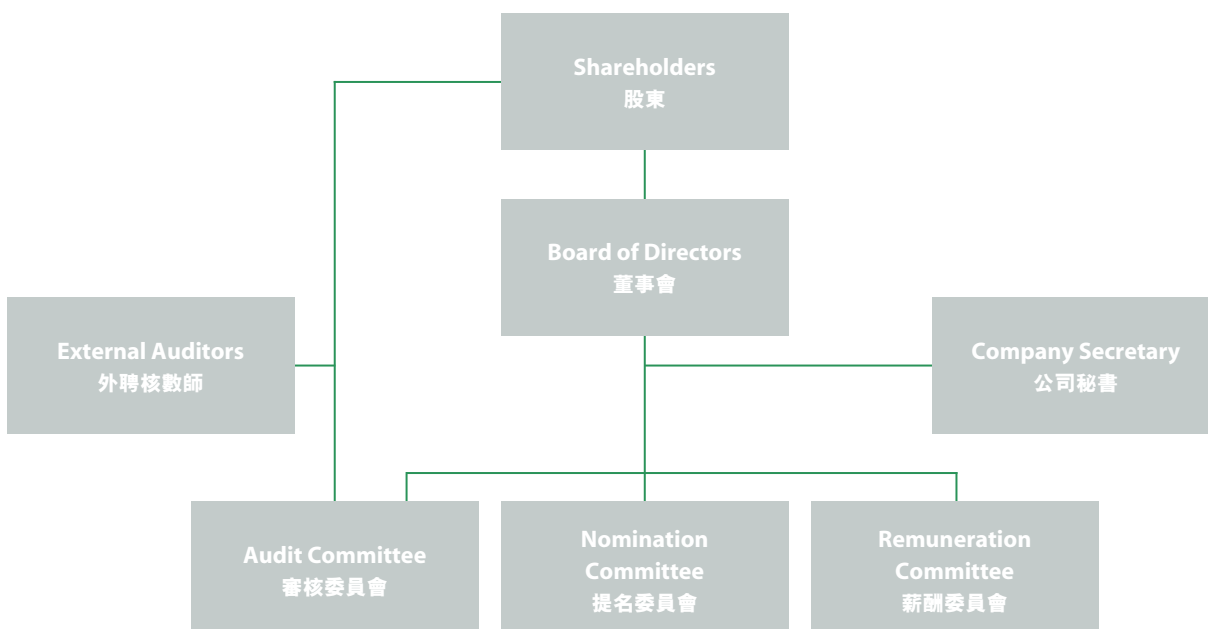
Jingguang Centre, Shenzhen
深圳京廣中心



COMMITMENT IN CORPORATE GOVERNANCE

The Company is committed to good corporate governance principles and practice and its board of directors ("Board") recognizes that it is essential to safeguard the interests of shareholders, customers and employees and uphold accountability, transparency and responsibility of the Company. The Company has complied with the code provisions ("Code Provisions") in the Code on Corporate Governance Practices ("CG Code") set out in Appendix 14 of the rules ("Listing Rules") governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31st December 2006 except for deviations from the A.4.1 and E.1.2 of the Code Provisions in the CG Code, particulars of which are set out below. With a view to monitor and continuously improve its performance, the Company reviews its corporate governance practices from time to time and always aims to enhance its corporate governance practices in line with local and international practices.

a. Composition of the Board and various Board Committees



企業管治方面之承諾

本公司致力達致良好之企業管治原則及常規，而其董事會（「董事會」）認為，有關原則及常規對保障股東、客戶及僱員之利益以及維持本公司問責性、透明度及責任方面攸關重要。於截至二零零六年十二月三十一日止年度，本公司一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企管守則」）之守則條文（「守則條文」），惟企管守則項下守則條文第A.4.1及E.1.2條則有所偏離，有關詳情載於下文。為監控及持續改進表現，本公司不時檢討其企業管治常規，並一向以提高企業管治常規以符合本地及國際常規為目標。

a. 董事會及各董事委員會之組成

A.1 The Board 董事會

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.1.1	Board meetings should be held at least 4 times a year at approximately quarterly intervals. 董事會會議應最少每年舉行四次，約每季一次。	✓	The Board meets physically and regularly. 13 Board meetings were held during the year ended 31st December 2006 and at least once quarterly. The Chief Executive Officer ("CEO"), Chief Operations Officer ("COO") and Chief Financial Officer ("CFO") were invited to attend certain Board committee meetings, and other senior management may from time to time be invited to attend Board meetings to make presentations or answer the Board's enquiries. 董事會定期親身會面。董事會截至二零零六年十二月三十一日止年度內已舉行13次會議，並最少每季舉行一次。行政總裁、營運總監及財務總監均獲邀出席若干董事委員會會議，而其他高級管理人員或會不時獲邀出席董事會會議，以作出呈報或回答董事會提問。
A.1.2	All directors should be given opportunity to include matters in the agenda for regular board meetings. 全體董事均有機會將有關事項列入董事會常規會議議程內。	✓	Agenda for Board and Board Committee meetings are sent to all directors in advance and they are given opportunities with reasonable time to include relevant matters for discussion in the Board meetings. 董事會及董事委員會會議之議程均事先寄交全體董事，而彼等均有機會於合理時間納入有關事項，以於董事會會議內討論。
A.1.3	At least 14 days notice should be given for regular board meetings. 應就董事會常規會議發出最少14天通知。	✓	Timetable for regular Board meetings are scheduled well in advance to facilitate and maximize the attendance and participation of directors whilst reasonable notices are given for all other Board meetings. 董事會常規會議之時間表均事先編排妥當，以方便董事參與及盡量提高出席率，另會就所有其他董事會會議發出合理通知。
A.1.4	Directors should have access to company secretary's advice. 董事應可獲取公司秘書之意見。	✓	Directors have access to the advice and services of the company secretary of the Company ("Company Secretary") to ensure that Board procedures, and all applicable rules and regulations, are followed. 董事可獲取本公司之公司秘書（「公司秘書」）之意見及服務，以確保遵守董事會程序及一切適用規則及規例。
A.1.5	Board minutes and committee minutes should be kept by company secretary and open for inspection. 董事會會議及董事委員會會議之會議記錄應由公司秘書備存，並可供查閱。	✓	Minutes of the Board meetings and Board committees meetings are kept by the Company Secretary and they are open for inspection at reasonable time upon reasonable notice by any director. 董事會會議及董事委員會會議之會議記錄乃由公司秘書備存，並可供任何董事於給予合理通知後在合理時間內查閱。

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.1.6	<p>Minutes should record sufficient detail, concerns raised and dissenting views and draft and final versions should be sent to directors for comments and record.</p> <p>會議記錄應充分記錄有關詳情、提問及異議，而草擬本及最終定稿應送交各董事，以供彼等提供意見及記錄。</p>	✓	<p>Minutes of the Board and Board committees recorded in sufficient detail the matters considered by the Board and the Board committees and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of the Board and Board Committee were sent to all the relevant directors for their comment and records respectively, in both cases within a reasonable time after the Board and Board committee meetings were held.</p> <p>董事會及董事委員會會議之會議記錄均充分載列董事會及董事委員會所考慮事項之詳情及所達成之決策，包括董事之提問或所表達之異議。董事會及董事委員會會議之會議記錄草擬本及最終定稿均寄交全體有關董事，以供彼等於董事會及董事委員會會議舉行後一段合理時間內提供意見或記錄。</p>
A.1.7	<p>Upon reasonable request, there should be procedure agreed by the board to enable directors to seek independent professional advice at the Company's expenses.</p> <p>董事會應協定程序，致使董事能應合理要求，徵求獨立專業意見，而有關費用由本公司承擔。</p>	✓	<p>There are procedures to enable the Directors upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.</p> <p>本公司已制定有關程序，致使董事能應合理要求，在適當情況下徵求獨立專業意見，而有關費用由本公司承擔。</p>
A.1.8	<p>If a substantial shareholder or director has conflict of interest in a material matter, the matter should be dealt with by board meeting with independent non-executive directors with no material interest present.</p> <p>倘主要股東或董事於重大事項中擁有重大利益衝突，則該事項應於並無擁有重大權益之獨立非執行董事在場之董事會會議上處理。</p>	✓	<p>If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held, during which such director must abstain from voting. Independent Non-executive directors ("INEDs") who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.</p> <p>倘主要股東或董事於將由董事會考慮，且董事會認為屬重大之事項中擁有利益衝突，則該事項不得以傳閱文件方式或由委員會處理(根據於董事會會議所通過決議案就此成立之適當董事委員會不在此限)，而須舉行董事會會議，而有關董事須於會上放棄投票。並無於交易中擁有重大權益之獨立非執行董事及彼之聯繫人士須出席該董事會會議。</p>

The business and affairs of the Company and its subsidiaries (“Group”) shall be under the direction of and vest with the Board pursuant to the bye-laws of the Company (“Bye-laws”). The Board is elected by the shareholders and is the ultimate decision making body of the Group except in respect of matters reserved for shareholders. The Board accepts that it is ultimately accountable and responsible for the performance and affairs of the Group. However, while the Board retains oversight responsibility, certain of that authority is necessarily delegated by the Board to the management in order to enable the management to develop and implement the Company’s strategic plans and annual operating plans, and to conduct the Company’s day-to-day activities.

The Board diligently monitors the management’s performance in that regard but responsibility for conducting the Company’s day-to-day operations rests with the management.

The Board appointed three Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspects of the Group’s affairs. Compositions and responsibilities of these Board committees are set out in latter part of this report. The Company shall review the said delegation arrangements on a periodic basis to ensure that they remain appropriate to its needs. The Board and the Board committee work under well established corporate governance practices and its terms of reference which reinforces the responsibilities of directors in accordance with the requirements of the Listing Rules and other relevant statutory requirements.

The directors’ attendance at the Board and Board committee meetings of the Company during the year ended 31st December 2006 are set out in the following table (“Meeting Schedule”):

本公司及其附屬公司（「本集團」）之業務及財務狀況須根據本公司之組織章程細則（「細則」），依循董事會之指引營運並受其管轄。董事會經股東推選，除須待股東決定之事項外，董事會為是本集團之最終決策機關。董事會願對本集團之表現及財務狀況接受最終問責及承擔負責。儘管董事會保留監督責任，然而，當中若干權力需由董事會授權管理層，以便管理層發展及推行本公司之策略規劃及年度營運計劃，同時進行本公司日常業務。

董事會努力不懈監控管理層就此方面之表現，而進行本公司日常業務之責任則由管理層肩負。

董事會委任三個董事委員會，分別為審核委員會、薪酬委員會及提名委員會，以監督本集團事務之特定範疇。此等董事委員會之組成及職責載於本報告較後章節。本公司須定期檢討上述授權安排，以確保該等安排仍切合其需要。董事會及董事委員會乃按照根據上市規則及其他有關法定規例妥善制定之企業管治常規及當中重申董事責任之職權範圍行事。

下表載列截至二零零六年十二月三十一日止年度，董事於董事會及董事委員會會議之出席情況（「會議時間表」）：



BOT Toll Road, Guilin 桂林收費道路

Meeting attendance 會議出席情況

Name of directors 董事姓名	Board Meeting 董事會會議	Audit committee meeting 審核委員會會議	Remuneration committee meeting 薪酬委員會會議	Nomination committee meeting 提名委員會會議
Executive directors 執行董事				
Mr. OEI Kang, Eric 黃剛先生	11/13	2/2 (Note 1 附註1)	1/1 (Note 2 附註2)	1/1 (Note 3 附註3)
Mr. CHEN Libo 陳立波先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. TSANG Sai Chung, Kirk 曾細忠先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. TANG Sau Wai, Tom 鄧守偉先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. CHENG Sum Hing, Sam 鄭森興先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive directors 非執行董事				
Mr. OEI Tjie Goan 黃志源先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. WANG Jun 王軍先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. LI Xueming 李學明先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. XU Zheng 徐征先生	1/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. LIU Guolin 劉國林先生	3/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. FAN Yan Hok, Philip 范仁鶴先生	10/13	2/2	1/1	1/1
INEDs 獨立非執行董事				
Mr. CHUNG Cho Yee, Mico 鍾楚義先生	1/13	1/2	0/1	0/1
Mr. CHENG Yuk Wo 鄭毓和先生	10/13	2/2	1/1	1/1
Mr. Albert Thomas DA ROSA, Junior 羅凱栢先生	3/13	2/2	0/1	0/1

Notes:

- (1) Mr. OEI Kang, Eric attended 2 audit committee meetings as an invitee.
- (2) Mr. OEI Kang, Eric attended 1 remuneration committee meeting as an invitee.
- (3) Mr. OEI Kang, Eric attended 1 nomination committee meeting as an invitee.

附註:

- (1) 黃剛先生曾應邀出席2次審核委員會會議。
- (2) 黃剛先生曾應邀出席1次薪酬委員會會議。
- (3) 黃剛先生曾應邀出席1次提名委員會會議。

A.2 Chairman and chief executive officer 主席及行政總裁

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.2.1	<p>Roles of chairman and CEO should be separate, clearly established and set out in writing.</p> <p>主席與行政總裁之角色應予區分，並應清晰界定及書面載列職權範圍。</p>	✓	<p>Mr. OEI Tjie Goan is the chairman and Mr. OEI Kang, Eric is the CEO and Managing Director of the Company. The chairman and CEO are father and son in relationship. Their responsibilities were clearly set out (and approved by the Board effective on 16th November 2006). Given the Group's current stage of development, the Board considers that this arrangement facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. The Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstance arise.</p> <p>黃志源先生為主席，另黃剛先生出任行政總裁兼本公司董事總經理。主席與行政總裁屬父子關係。彼等之職責已清晰界定，並於二零零六年十一月十六日獲董事會批准。鑑於本集團目前尚在發展階段，董事會認為，此項安排有助執行本集團之業務策略及發揮其營運效能。然而，董事會將不時檢討該結構，並將考慮在合適情況出現時作出適當變動。</p>
A.2.2	<p>Chairman should ensure directors are briefed on issues arising at board meetings.</p> <p>主席應確保董事獲簡述將於董事會會議商討之事項。</p>	✓	<p>The chairman accepts his responsibility to ensure that major issues of the Company are addressed by the Board, and that these issues are presented in a manner which facilitates through discussion and the appropriate resolution and all Directors are properly briefed on issues arising at the Board meetings. He shall also ensure that Directors receive adequate information, which must be complete and reliable, in a timely manner.</p> <p>主席接納其責任，以確保董事會能針對本公司之主要問題，並以有關方式提呈此等問題，以便進行透徹討論及達成合適決議案，而全體董事均獲妥為簡述將於董事會會議商討之事項。主席應確保董事適時獲取充分、完整及可靠之資料。</p>
A.2.3	<p>Chairman should ensure directors receive timely and adequate information.</p> <p>主席應確保董事適時接獲充足資料。</p>	✓	<p>主席接納其責任，以確保董事會能針對本公司之主要問題，並以有關方式提呈此等問題，以便進行透徹討論及達成合適決議案，而全體董事均獲妥為簡述將於董事會會議商討之事項。主席應確保董事適時獲取充分、完整及可靠之資料。</p>

A.3 Board composition 董事會之組成

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.3.1	Independent non-executive directors should be expressly identified as such in all communications disclosing its names. 獨立非執行董事應於所有披露彼姓名之公司通訊內，明確肯定彼之身份。	✓	The INEDs are expressly identified in all corporate communications that disclose the names of the directors of the Company. 獨立非執行董事均於所有披露本公司董事姓名之公司通訊內明確肯定彼之身份。

The Board currently comprises five executive directors, namely Mr. OEI Kang, Eric, Mr. CHEN Libo, Mr. TSANG Sai Chung, Kirk, Mr. TANG Sau Wai, Tom, and Mr. CHENG Sum Hing, Sam, and nine non-executive directors in which three of them are INEDs. The INEDs are Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, and Mr. Albert Thomas DA ROSA, Junior who offer diversified expertise and serve to advise the Board and management on strategy development and provide checks and balances for safeguarding the interest of the shareholders and the Group as a whole. The Company has received annual written confirmation from each of the INEDs that they have met all the independent guidelines set out in Rule 3.13 of the Listing Rules. Biographies with relevant relationships among members of the Board, if any, are shown on pages 50 to 55 under the section "Biographical Details of Directors and Senior Management." Terms of appointment of non-executive directors are shown on page 77 of the Report of the Directors.

董事會目前由五名執行董事黃剛先生、陳立波先生、曾細忠先生、鄧守偉先生及鄭森興先生；以及九名非執行董事組成，其中三名為獨立非執行董事。獨立非執行董事為鍾楚義先生、鄭毓和先生及羅凱栢先生，彼等為董事會帶來豐富專業知識及意見、管理策略發展，並收相互制衡之效，以保障股東及本集團整體利益。本公司已接獲各獨立非執行董事發出之年度確認書，表示彼等已符合上市規則第3.13條載列之所有獨立指引。彼等之簡歷連同與董事會成員間之有關關係(如有)，載於第50至55頁之「董事及高級管理人員簡介」一節。非執行董事之委任條款載於第77頁之董事會報告內。

A.4 Appointments, re-election and removal 委任、重選及罷免

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.4.1	Non-executive directors should be appointed for specific term, subject to re-election. 非執行董事應按指定任期獲委任，並須接受重選。	Please refer to remarks 請參閱備註	All the non-executive directors of the Company were not appointed for specific term but they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company pursuant to the provisions of the Company's Bye-laws. 本公司全體非執行董事概無按指定任期獲委任，惟彼等須根據本公司細則之條文在股東週年大會輪席告退及重選。
A.4.2	All directors appointed to fill casual vacancy subject to election by shareholders at the first general meeting; every director subject to retirement by rotation at least once every 3 years. 所有就填補臨時空缺獲委任之董事應於首次股東大會上接受股東推選；每名董事應最少每三年輪席告退一次。	✓	All directors appointed to fill casual vacancy are subject to election at the first general meeting and every director including those appointed for a specific term are subject to retirement by rotation one every three years. 所有為就補臨時空缺獲委任之董事均須於首次股東大會接受推選，每名董事，包括以指定年期獲委任者，均須最少每三年輪席告退一次。

The Board of the Group had established a nomination committee on 22nd August 2005, whose members are Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior, and Mr. FAN Yan Hok, Philip, of which three are INEDs. The terms of reference of the nomination committee adopted on 22nd August 2005, which is made available on the website of the Group, has set out details of its role and functions, nomination procedures and the process and criteria adopted for selection and recommendation of candidates for the directorship of the Company.

The Nomination Committee is responsible for, inter alia:-

- (i) reviewing the structure, size and composition (including the skills, knowledge and expertise) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; and
- (ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorship;

本集團之董事會已於二零零五年八月二十二日成立提名委員會，其成員包括鍾楚義先生、鄭毓和先生、羅凱栢先生及范仁鶴先生，其中三名為獨立非執行董事。另已於二零零五年八月二十二日採納提名委員會之職權範疇，當中載列有關其角色及職能、提名程序以及就甄選及推薦候選人擔任本公司董事職務所採納程序及條件之詳情。該職權範圍於本集團網站可供查閱。

提名委員會負責（其中包括）：

- (i) 定期檢討董事會之結構、規模及組成（包括技能、知識及專業知識），並就任何建議改動向董事會提供推薦意見；及
- (ii) 物色合資格成為董事會成員之適當人選，並就甄選獲提名擔任董事職務之人選，作出選擇及向董事會提供推薦意見。

A.5 Responsibilities of directors 董事責任

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.5.1	Every newly appointed director should receive a comprehensive, formal induction, and subsequent briefing and development as is necessary. 每名獲委任之新任董事應獲得全面兼正式之就職介紹，其後獲得所需之簡報及發展。	✓	A tailored induction shall be provided to familiarize the newly appointed director with the Company's business operations and financial positions, his/her responsibilities under statute and common law, the Listing Rules, applicable legal, other regulatory requirements and business and governance policies respectively. Subsequent briefing and professional development shall be provided to the newly appointed director as and when necessary. 新任董事應獲提供度身設計之就職介紹，致令其熟悉本公司之業務運作及財務狀況；彼於法規及普通法、上市規則、適用法律、其他監管規定項下之職責；以及業務及管治政策。 新任董事其後將獲提供所需之簡報及專業發展。
A.5.2	Functions of non-executive directors should include A.5.2 of the Code Provision in the CG Code. 非執行董事之職能應包括企管守則項下守則條文第A.5.2條。	✓	Strategic planning and monitoring the Company's performance are, among others, the major functions of the directors. The Board shall be accountable and responsible for the performance and affairs of the Company. 董事之主要職能(其中包括)策略規劃及監察本公司表現。董事會將就本公司之表現及財務狀況接受問責及承擔負責。
A.5.3	Directors should give sufficient time and attention to company's affairs. 董事應投放充足時間處理及關注本公司事務。	✓	Directors are aware that they shall give sufficient time and attention to the affairs of the Company. 董事知悉彼等須投放充足時間處理及關注本公司事務。
A.5.4	Directors must comply with model code for securities transaction by directors of listed issuers ("Model Code") in Appendix 10 of the Listing Rules, and the board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in company's shares. 董事必須遵守上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，而董事會應就有關僱員在買賣本公司股份制定其條款不會較標準守則寬鬆之書面指引。	✓	The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code ("Company's Code"). Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standard set out in the Model Code and the Company's Code. The Board also applied no less exacting terms than the Model Code for the relevant employees in respect of their dealings in the securities of the Company. 本公司已採納有關董事進行證券交易之操守守則，其條款不會較標準守則載列規定標準寬鬆(「本公司守則」)。經向全體董事作出具體查詢後，全體董事均確認，彼等一直遵守標準守則及本公司守則載列之規定標準。董事會亦就有關僱員買賣本公司證券應用不會較標準守則寬鬆之條款。

A.6 Supply of and access to information 供應及獲取資料

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.6.1	Agenda and board papers should be sent to directors at least 3 days before regular board meeting or committee meeting. 應於舉行董事會常規會議或委員會會議前最少三天向董事送交議程及董事會文件。	✓	In respect of regular Board meetings, and so far as practicable in all other cases, Board papers are dispatched to Board and Board Committee members not less than 3 days or such other agreed period before Board or Board committee meetings. 就董事會常規會議而言，及只要於一切其他情況均屬切實可行，會於董事會或董事委員會會議舉行前最少三天或經協定之其他期限，向董事會及董事委員會成員寄發董事會文件。
A.6.2	Management should supply board and its committees with adequate information in timely manner. Each director should have separate and independent access to the issuer's senior management. 管理層應向董事會及其委員會及時提供充足資料。每名董事應能自行及獨立聯絡發行人之高級管理層。	✓	Each director is given contact details of the senior management and is accessible to them to obtain information and for enquiries when required. 每名董事均獲給予高級管理層之聯絡詳情，並可向彼等獲取資料及於需要時作出查詢。
A.6.3	Directors are entitled to have access to Board papers and related materials. 董事有權獲取董事會文件及相關資料。	✓	Board papers and minutes are made available for inspection by the directors and Board committee members. Where queries are raised by directors, the Company shall respond as promptly and fully as possible. 董事會文件及會議記錄可供董事會及董事委員會成員查閱。倘董事提出疑問，本公司須即時並盡可能作出詳盡回應。

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B. 董事及高級管理人員之薪酬

B.1 The level and make-up of remuneration and disclosure 薪酬水平與釐定方法及披露

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
B.1.1	Issuers should establish remuneration committee, majority of which shall be independent non-executive directors. 發行人應成立薪酬委員會，其中過半數成員須為獨立非執行董事。	✓	A remuneration committee of the Group had been formed in 22nd August 2005. There are four remuneration committee members currently, namely Mr. FAN Yan Hok, Philip, Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior, of which three are INEDs. The role and authorities of the remuneration committee, including those set out in B.1.3 of the Code Provision in the CG Code, were clearly set out in its terms of reference which are available at the Company's website and on request. Pursuant to its terms of reference, the remuneration committee was provided with sufficient resources to discharge its duties, including obtaining independent professional advice in appropriate circumstances as and when deem necessary.
B.1.2	Remuneration committee should consult chairman and/or CEO about proposals relating to remuneration of other executive directors. 薪酬委員會應就其他執行董事之酬金建議徵詢主席及／或行政總裁之意見。	✓	During the year ended 31st December 2006, the remuneration committee held one meeting in which 50% remuneration committee members attend. The remuneration committee had, among others, reviewed the remuneration of the executive and non-executive directors of the Company and approved performance-based remuneration by reference to corporate goals and objectives resolved by the Board and/or the management from time to time. The Remuneration Committee, after reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group and consulting the CEO, shall consider and make recommendation to the Board for approval of the remuneration packages for executive directors and senior management. Executive Directors do not participate in the determination of their own remuneration.
B.1.3	Terms of reference of the remuneration committee should include B.1.3 of the Code Provision in the CG Code. 薪酬委員會之職權範圍應包括企管守則項下守則條文第B.1.3條。	✓	The Remuneration Committee, after reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group and consulting the CEO, shall consider and make recommendation to the Board for approval of the remuneration packages for executive directors and senior management. Executive Directors do not participate in the determination of their own remuneration.
B.1.4	Remuneration committee should make available its terms of reference explaining its role and the authority delegated to it by the board. 薪酬委員會應公開其職權範圍，並闡釋其角色及獲董事會授予之權力。	✓	本集團薪酬委員會於二零零五年八月二十二日組成。薪酬委員會目前共有四名成員，分別為范仁鶴先生、鍾楚義先生、鄭毓和先生及羅凱栢先生，其中三名為獨立非執行董事。薪酬委員會之角色及權力，包括企管守則項下守則條文第B.1.3條所載者，已清晰載於其職權範圍，該職權範圍可於本公司網站供查閱及要求索取。根據其職權範圍，薪酬委員會已獲提供充足資源以履行其職責，包括在合適及需要情況下獲取獨立專業意見。
B.1.5	Remuneration committee should be provided with sufficient resources to discharge its duties. 薪酬委員會應獲提供充足資源以履行其職務。	✓	截至二零零六年十二月三十一日止年度，薪酬委員會曾舉行一次會議，並獲半數薪酬委員會成員出席。薪酬委員會曾(其中包括)檢討本公司執行及非執行董事之薪酬，並批准經參考董事會及/管理層不時議決之企業目標及宗旨後釐定之表現掛鈎薪酬。在審閱一切有關薪酬數據、市況、個人表現及本集團盈利能力，並與諮詢行政總裁之意見後，薪酬委員會應考慮及向董事會作出建議，以批准執行董事及高級管理人員之薪酬待遇。執行董事概無參與釐定彼等本身之薪酬。

C. ACCOUNTABILITY AND AUDIT

C. 問責及審核

C.1 Financial Reporting 財務申報

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.1.1	Management should provide information to the board to enable the board to make informed assessment of financial situation. 管理層應向董事會提供資料，致使董事會能就財務狀況作出知情評估。	✓	Management shall provide explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval. The directors of the Company acknowledged their responsibility for preparation of financial statements which give a true and fair view of the Group's state of affairs of the results and cashflow for the year. In preparing the financial statements for the year ended 31st December 2006, the directors have:
C.1.2	Directors should acknowledge responsibility for preparing accounts, on a going concern basis and there should be a statement by auditors about their reporting responsibilities in the auditors' report on the financial statements. The corporate governance report should contain sufficient information to enable investors to understand severity and significance of matters at hand. 董事應瞭解按持續經營基準編製賬目之責任，另核數師應就於財務報表之核數師報告內申報責任作出聲明。企業管治報告應載有充足資料，致使投資者瞭解當前事務之嚴重及重要程度。	✓	(i) approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants; (ii) selected and applied consistently appropriate accounting policies; (iii) made judgements and estimates that are prudent and reasonable; and (iv) prepared the financial statements on the going concern basis. The Board recognizes the importance of good corporate governance and transparency and its accountability to shareholders, it shall present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures of the Group as required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. The Company has announced its annual and interim results before the prescribed period of four months after the financial year and three months after the end of first six months of the financial year respectively as required by the Listing Rules.
C.1.3	Board should present a balanced, clear and understandable assessment including in the reports to regulators and to information required to be disclosed pursuant to statutory requirements. 董事會應於致監管人員之報告及根據法例規定須予披露之資料內，呈列公平、清晰及易於理解之評估。	✓	管理層須向董事會提供說明及資料，致使董事會可於提供董事會批准前，就財務及其他資料作出知情評估。 本公司董事瞭解彼等之責任，為編製真實公平反映本集團年內業績狀況及現金流量之財務報表。於編製截至二零零六年十二月三十一日止年度之財務報表時，董事已： (i) 批准及採納香港會計師公會頒佈之所有適用香港財務報告準則； (ii) 揀選及貫徹應用合適之會計政策； (iii) 作出審慎及合理之判斷及估計；及 (iv) 按持續經營基準編製財務報表。 董事會肯定良好企業管治、透明度及其對股東問責甚為重要，故董事會將於年報及中期報告、其他有關股價敏感資料之公佈與根據上市規則規定須予披露之本集團其他財務資料、致監管人員之報告，以及根據法例規定須予披露之資料內，提呈公平、清晰及易於理解之評估。本公司已按照上市規則之規定，分別於財政年度後四個月及財政年度首六個月結束後三個月之指定期間前，公佈其年度及中期業績。

C.2 Internal controls 內部監控

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.2.1	Directors should at least annually review effectiveness of internal control by the Group and state so in corporate governance report. 董事應最少每年檢討本集團內部監控之成效，並於企業管理報告載列檢討結果。	✓	Please refer to the section below. 請參閱下文一節。

Internal control environment

The Group has had in place an integrated framework of internal controls which is consistent with the Committee of Sponsoring Organisations of the Treadway Commission's ("COSO") framework. Under the framework, the management is primarily responsible for the design, implementation and maintenance of internal controls while the Board and its Audit Committee oversee the actions of the management and monitor the effectiveness of the controls that have been put in place. The framework and activities taken are illustrated below:

內部監控環境

本集團已設立與Committee of Sponsoring Organisations of the Treadway Commission (「COSO」) 框架一致之內部監控綜合架構。根據該架構，管理層主要負責內部監控之制定、實施及維持工作，而董事會及其審核委員會則負責監督管理層之行動及監控已設立之監控制度之成效。該架構及所採取之措施說明如下：

Framework area 架構範疇	Activities taken 所採取之措施
Control Environment 監控環境	<ul style="list-style-type: none">• Management takes a hands-on approach and is fully committed to set the controls environment ensuring that individuals are controls conscious• The Board has set up relevant committees to ensure regulations are complied with and internal controls are carried out properly• A code of conduct exists to guide individuals' integrity and ethic in daily operations• Management closely monitors the organization structure and the responsibilities of individuals granting appropriate authorities for them to handle assigned tasks• Performance evaluations and recruitment procedures are available to ensure individuals are competent• 管理層積極參與，致力建立監控環境，確保各人均具備監控意識• 董事會已設立相關委員會，以確保各項規例得以遵守，而內部監控得以妥善執行• 現存操守準則，給個別人士在日常營運中之誠信及道德操守，作出指引• 管理層密切留意組織結構及個人責任，作出適當授權，以便處理獲指派之工作• 設有表現評估及招聘程序，以確保個別人士表現稱職
Risk Assessment 風險評估	<ul style="list-style-type: none">• Management has established clear strategic direction and business objectives• Formal risk assessment involving the Board and the top management has been conducted to identify and analyse key risks associated with achieving the Group's objectives which forms the basis for determining key control activities• 管理層設有清晰的策略及業務目標• 董事會和高級管理層參與正式風險評估，找出及分析跟達致集團目標有關的主要風險，從而作為設立主要監控行動的基礎

Framework area 架構範疇**Activities taken 所採取之措施**

Control Activities
監控活動

- Policies/procedures on key control activities are established to ensure management directives are carried out
- Ranges of activities including approvals, authorization, verifications, recommendations, performance reviews, asset security and segregation of duties are identified and implemented
- 制定有關主要監控活動之政策/程序，以確保管理層之指示得以執行
- 識別及建立一系列行動，當中包括：批准、授權、核實、建議、表現審核、資產保護及職責劃分

Information and Communication
資料及通訊

- Pertinent information is identified, captured, processed and reported
- Access to internal and external general information is available
- Management maintains an open-door policy to allow communication taking place both across and vertically through the organization
- 識別、擷取、處理及匯報相關資料
- 可獲取內部及外界一般資訊
- 管理層維持公開政策，以容許組織內進行縱向及橫向的溝通

Monitoring
監察

- Management closely monitors daily operations and the related controls
- Internal audit function, the Internal Control and Risk Management ("ICRM") Department, with adequate resources and well qualified staff conducts annual internal controls review on major operating units and projects
- External audit function ensures financial reporting and the related controls are proper and effective
- External tax advisor is hired to ensure proper tax treatment and compliance on tax regulations
- External legal advisor and internal company secretary function ensure the compliance of regulations, standards and listing rules
- 管理層密切監察日常運作及有關監控
- 肩負內部監控職能之內部監控及風險管理部門(「內部監控部」)，具備充足資源及資歷優秀之員工，每年審閱主要營運單位及項目之內部監控情況
- 外聘核數師確保財務匯報及相關監控屬恰當及有效
- 委任外聘稅務顧問，以確保稅務事宜處理妥當及遵守稅務規例
- 外聘法律顧問及內部公司秘書，確保遵守有關規例、準則及上市規則

Risk assessment and management

The Group conducted a risk assessment in 2006 with a plan to update such assessment every year in the future. A team comprising professionals within the Group as well as experts from an independent risk consulting firm was established to perform a risk management assessment exercise, in which the Group involved its entire management team to evaluate and assume overall responsibilities of the effectiveness of the Group's internal control systems.

Under the COSO framework, management defined the objectives of the Group and the related risk categories impacting those objectives. Four risk categories were considered: business, operational, financial and compliance. A systematic "top-down" approach was adopted to identify, source and evaluate individual risks and the interrelationships between risks in the key areas under those four categories, to which high priorities and resources were given.

風險評估及管理

本集團於二零零六年進行風險評估，並計劃日後每年更新該項評估。由本集團內專業人士和一家獨立風險顧問公司之專家組成的隊伍，進行風險管理評估工作，會同本集團整個管理層，評估集團內部監控系統的效能並承擔其整體責任。

根據COSO架構，管理層界定本集團之目標及影響該等目標之相關風險類別。四項被考慮到的風險類別為：業務、營運、財務及守規。以「由上而下」的方法，有系統地找出、尋源及評估，在該四項類別下，主要範疇中的個別風險及其相互關係，以便優先及劃撥資源處理該風險。

By utilising an outsourced facilitating function, interviews with each member of management team were arranged so as to discuss, identify and customize the objectives and risks encountered by the Group. All members of management team were invited to participate in a workshop to discuss the results of the interviews. Through discussion and anonymous voting mechanism, the key risks had been ranked in terms of significance and likelihood. Response strategies and mitigation plans with respect to each key risk identified were planned and put into action, which included establishing or enhancing the systems of internal controls and procedures.

Control processes

The Board establishes and maintains a sound internal control system through the following major processes:

- (i) Systems and procedures are in place to identify and measure risks on an ongoing basis. Senior management reviews and defines the annual risk assessment process and monitor the progress of risk mitigation plans.
- (ii) An organization structure with defined lines of responsibility and delegation of authority is devised.
- (iii) The Board reviews its strategic plans and objectives on an annual basis.
- (iv) Financial performance is analysed against budget with variances being accounted for and appropriate actions are taken to rectify deficiencies.
- (v) Having aware the fact that all systems of internal control can only provide reasonable but not absolute assurance, the ICRM department is required to evaluate the adequacy and effectiveness of major controls over principal operations independently. Full access to all data and every operation of the Group is granted to the ICRM department. A risk-based approach is adopted which concentrates on areas of significant risks or where significant changes have occurred. Major findings and recommendations, if any, are reported to the Board and the Audit Committee after each review.

透過外判職能協助，安排與管理層各成員面談，以討論、找出及度身制定集團目標及所承受之風險。管理層全體成員曾應邀參與工作坊，商討面談之結果。透過討論及不記名投票機制，主要風險已按影響程度及發生可能性排序，並計劃及推行相應對策和舒緩方案，其中包括成立或加強內部監控制度及程序。

監控程序

董事會透過下列主要程序，建立及維持有效之內部監控制度：

- (i) 建立制度及程序，持續找尋及評估風險。高級管理人員檢討及界定年度風險評估程序及監控風險舒緩計劃之實行進度。
- (ii) 定立具清晰職責及授權範圍之組織架構。
- (iii) 董事會每年檢討其策略計劃及目標。
- (iv) 就財務表現與預算作比較分析，考慮當中差異，並採取適當行動以修正不足之處。
- (v) 在瞭解所有內部監控制度僅可提供合理而非絕對保證後，內部監控部須獨立評估主要營運業務的重要監控，是否足夠及有效。內部監控部可全面掌握本集團所有數據及各運作情況，並採納以風險為基礎之方法，集中評估有重大風險或會出現重大變動之範疇。每次檢討後，如有主要發現及建議，會向董事會及審核委員會呈報。

Annual internal control assessment

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. The ICRM department conducts reviews of the effectiveness of the Group's systems of internal controls, including all subsidiaries. The Board and the Audit Committee reviews the findings and opinion of the ICRM department in the effectiveness after such reviews.

In respect of the year ended 31st December 2006, the Board considered the internal controls systems are effective and adequate.

Price-sensitive Information

With respect to the procedures and internal controls for the handling and dissemination of price-sensitive information, the Group has performed the following actions:

- (i) Management and relevant personnel are made aware of the Group's obligations under the Listing Rules and the overriding principle that information which is expected to be price-sensitive and/or the subject of a major decision should be announced immediately.
- (ii) Management and relevant personnel are required to conduct the Group's affairs with close regard to the "Guide on Disclosure of Price-sensitive Information" issued by The Hong Kong Stock Exchange in 2002.
- (iii) Members of the Group's top management are identified and authorised to act as the Group's spokespersons and respond to external enquiries.

年度內部監控評估

董事會負責本集團之內部監控制度及檢討其效能。內部監控部審查本集團及其附屬公司的內部監控制度之效能。董事會及審核委員會於進行有關審查後，審閱內部監控部的發現及意見。

截至二零零六年十二月三十一日止年度而言，董事會認為，有關內部監控制度屬有效及足夠。

股價敏感資料

就有關處理及發放對股價會有影響的敏感資料之程序及內部監控方面，本集團已採取下列措施：

- (i) 管理層及有關人員已得悉本集團於上市規則下之責任及凌駕原則，就有關會影響股價的敏感資料，與及／或對用作做重大決定的資料，採取即時披露。
- (ii) 管理層及有關人員需恪守香港聯交所於二零零二年頒佈之「股價敏感資料披露指引」，以進行本集團之事務。
- (iii) 本集團已選定高級管理層成員，並授權彼等擔任本集團發言人，以回應外界提問。

C.3 Audit committee 審核委員會

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.3.1	Minutes of audit committee should be kept and sent to all members for comment and records within reasonable time. 審核委員會之會議記錄應予備存，並於合理時間內送交全體成員，以供彼等發表意見及記錄。	✓	Pursuant to its terms of reference, minutes of audit committee were kept and sent to all its committee members within reasonable time. 根據其職權範圍，已備存審核委員會之會議記錄，並已於合理時間內送交全體委員會成員。
C.3.2	A former partner of the issuer's audit firm should not act as a member of the audit committee. 發行人核數師事務所之前任合夥人不應出任審核委員會成員。	✓	The current audit committee members are not former partner of the Company's existing auditing firm. 審核委員會現任成員並非本公司現有核數師事務所之前任合夥人。
C.3.3	The terms of reference of audit committee should include terms set out pursuant to C.3.3 of the Code Provision in the CG Code. 審核委員會之職權範圍應包括企管守則項下守則條文第C3.3條款。	✓	The terms of reference of the audit committee, which have included the role and authority delegated to it by the Board together with C.3.3 of the Code Provision, are available at the Group's website and on request. 審核委員會之職權範圍已涵蓋職位及董事會所授予權力，連同守則條文第C.3.3條所載列者，均可於本公司網站查閱及要求索取。
C.3.4	Audit committee should make available its terms of reference. 審核委員會應公開其職權範圍。	✓	
C.3.5	Disclosure of any disagreement between board and audit committee on selection, appointment, resignation or dismissal of external auditors. The issuer should state recommendation and reasons for difference in view in corporate governance report. 董事會與審核委員會就甄選、委任、辭任或罷免外聘核數師方面之任何意見分歧須予披露。發行人應在企業管治報告內列明推薦意見及意見迥異之理由。	✓	The audit committee recommended and the Board agreed that the Company shall re-appoint PwC to be the Company's auditors and the recommendation will be put forward for the approval of shareholders at the AGM 2006. 審核委員會建議及董事會同意，本公司將重新委聘羅兵咸永道會計師事務所為本公司核數師，而推薦意見將於二零零六年股東週年大會提呈供股東批准。
C.3.6	Sufficient resources should be provided to the audit committee to discharge its duties. 審核委員會應獲提供充足資源以履行其職務。	✓	Pursuant to its terms of reference, the audit committee should be provided with sufficient resources, including advice of professional firms, to discharge its duties, if necessary. 根據其職權範圍，審核委員會將於需要時獲提供充足資源（包括專業公司之意見），以履行其職務。

The Group established an audit committee with written terms of reference 22nd August 2005. There are four current audit committee members, namely, Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior, and Mr. FAN Yan Hok, Philip, of which three are INEDs and at least one of whom possess the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The audit committee is responsible for, inter alia, reviewing and monitoring the relationship between the Company and its auditors, reviewing of the financial information of the Company and overseeing the Company's financial controls, internal control and risk management systems. The audit committee members have met with external and internal auditors and discussed the general scope of the audit works and reviewed the audit reports and the interim and annual accounts of the Group. During the year, the audit committee met privately with the external auditors, without the presence of the executive directors of the Company, to discuss matters or issues arising from the audit and any other matters the external auditor may wish to raise.

There were two audit committee meetings during the year ended 31st December 2006 and the CEO, the CFO, other members of the senior management team and the external auditors of the Company shall be invited, as and when necessary, to join the discussion of the audit committee meetings. Particulars of the Board committee members' individual attendance and other details of the meetings were set out in the Meeting Schedule. The following is a summary of works performed by the audit committee during the year:

- (i) review of the Group's final and interim results statements and the related result announcements and documents prior to Board approval;
- (ii) review of the development in accounting standards and its effects on the Group;
- (iii) review of external auditor's audit plan and its nature and scope, the external auditors' reports and the letter of representation by the Company and other matters or issues raised by the external auditors;
- (iv) review of the risk management assessment report by the external consultants and their recommendations;
- (v) review of, and with recommendation to the Board, the adoption of the policy on provision of audit and non-audit services by external auditors and the semiannual summary of audit and non-audit services by external auditors;

本集團於二零零五年八月二十二日成立具職權範圍書之審核委員會。審核委員會現有四名成員，分別為鍾楚義先生、鄭毓和先生、羅凱栢先生及范仁鶴先生，其中三人為獨立非執行董事，另如上市規則第3.10(2)條之規定，最少一人具備合適專業資格或會計或相關財務管理知識。

審核委員會負責(其中包括)審閱及監控本公司與其核數師間之關係、審閱本公司之財務資料及監督本公司之財務監控、內部監控及風險管理制度。審核委員會成員已與外聘及內部核數師會面，並討論審核工作之一般範圍及審閱本集團之審核報告及中期與年度報告。年內，審核委員會曾與外聘核數師私下會面，本公司執行董事並不在場，以討論審核引致之事項或問題及外聘核數師可能提出之任何其他事項。

截至二零零六年十二月三十一日止年度，審核委員會曾舉行兩次會議，而行政總裁、財務總監、高級管理層其他成員及本公司外聘核數師於有需要時會應邀出席審核委員會會議並參與討論。董事委員會成員個別出席情況之詳情及會議之其他詳情均載於會議時間表。以下為審核委員會於年內所進行工作之概要：

- (i) 於提交董事會批准前，審閱本集團之末期及中期業績報表及相關業績公佈及文件；
- (ii) 審閱會計準則之發展及其對本集團構成之影響；
- (iii) 審閱外聘核數師之審核計劃及其性質與範圍、外聘核數師之報告、本公司之代表函件，以及外聘核數師提出之其他事項或問題；
- (iv) 審閱外聘顧問之風險管理報告及其推薦意見；
- (v) 就採納有關外聘核數師提供審核及非審核服務，及外聘核數師作出之審核及非審核服務半年度概要之政策作出檢討，並向董事會作出之建議；



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- (vi) review of the independence of the external auditors and approval of its engagement letters and audit fee;
- (vii) review of, and with recommendation to the Board, the foreign currency and treasury policy of the Group; and
- (viii) review of internal audit reports by the ICRM Department in respect of the Group's internal control system and procedures, its effectiveness and the regular updates on key risk areas of financial control.

All issues raised by the audit committee were addressed and/or dealt with by the senior management of the Company and the work, findings and recommendations of the audit committee were reported to the Board from time to time. During the year ended 31st December 2006, no issues brought to the attention of senior management and the Board was of sufficient importance to require disclosure in the annual report under the Listing Rules.

During the year ended 31st December 2006, the fees paid to the Company's external auditors amounted to approximately HK\$4.8 million, comprising the audit fees of HK\$3.8 million and non-audit fees of HK\$1.0 million respectively. The non-audit services consist mainly of tax advisory services and corporate governance consultation.

- (vi) 審閱外聘核數師之獨立身分，並批准其委聘函件及核數費用；
- (vii) 檢討本集團之外匯及庫務政策，並向董事會作出建議；及
- (viii) 審閱內部監控及風險管理部門就本集團內部監控及程序編製之內部審核報告、其效益及就財務監控主要風險範圍之定期更新資料。

審核委員會提出之所有問題已經本公司高級管理人員解決及/或處理，而審核委員會之工作、結果及建議已不時向董事會匯報。截至二零零六年十二月三十一日止年度，並無任何已知會高級管理人員及董事會之問題具足夠重要程度，須根據上市規則在年報中披露。

截至二零零六年十二月三十一日止年度，向本公司外聘核數師支付之費用約4,800,000港元，包括審核費用3,800,000港元及非審核費用1,000,000港元。非審核服務主要包括稅務諮詢服務及企業管治顧問。

D. DELEGATION BY THE BOARD

D. 董事會之授權

D.1 Management functions 管理層之職能

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
D.1.1	<p>Board must give clear directions as to powers of management, particularly on delegation to management and matters required prior approval from the board.</p> <p>董事會須就管理權力提供清晰指引，特別是向管理層授權及須事先取得董事會批准之事項。</p>	✓	<p>The management, consisting of CEO, along with other senior executives, shall be responsible for the implementation of the strategy and direction as determined by the Board from time to time. In doing so, they must apply business principles and ethics which are consistent with those expected by the Board and shareholders of the Company.</p> <p>管理層(包括行政總裁)連同其他高級行政人員，須負責不時實行董事會決定之政策及方向。就此，彼等必須應用與董事會及本公司股東所預期貫徹者貫徹一致之業務原則及道德標準。</p>
D.1.2	<p>Company should formalize functions reserved to the board and functions delegated to management.</p> <p>公司應界定保留董事會之職能及授權管理層之職能。</p>	✓	<p>The Board delegates management and administrative functions to the management for their conduct of the day-to-day operations of the Company, effectively, legally and ethically. This requires that they are aware of the material risks and issues faced by the Company and that they carefully supervise the Company's financial reporting systems and processes.</p> <p>董事會向管理層授出管理及行政職能，致使彼等能以有效、合法及合乎道德之方式，進行本公司之日常營運，而彼等須瞭解本公司所承受之重大風險及問題，並審慎監督本公司之財務申報制度及程序。</p>



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D.2 Board committees 董事委員會

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
D.2.1	Board committees should have clear terms of reference to enable such committees to discharge their functions properly. 董事委員會應具清晰職權範圍，致使該等委員會妥善履行職務。	✓	
D.2.2	Terms of reference of board committees should require such committees to report their decisions to the board. 董事委員會之職權範圍應規定該等委員會向董事會匯報其決定。	✓	Please refer to terms of reference of the audit committee, remuneration committee and nomination committee of the Company. 請參閱本公司審核委員會、薪酬委員會及提名委員會之職權範圍。

E. COMMUNICATION WITH SHAREHOLDERS

E. 與股東之溝通

E.1 Effective communication 有效溝通

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
E.1.1	A separate resolution at a general meeting on each substantially separate issue should be proposed by the chairman of that meeting. 股東大會主席應就各項很大程度上屬個別情況之事宜在該大會提呈獨立決議案。	✓	Separate resolutions are proposed at the AGM on each substantially separate issue, including election of individual directors. 會就各項很大程度上屬個別情況之事宜於股東週年大會提呈獨立決議案，當中包括推選個別董事。
E.1.2	Chairman of the board should attend AGM and arrange for chairmen of audit, remuneration and nomination committees to attend and be available to answer questions. 董事會主席應出席股東週年大會，並安排審核、薪酬及提名委員會之主席出席該大會，同時準備於會上回答提問。	Please refer to remarks 請參閱備註	The chairman of the Board did not attend the AGM of the Group as he had another business engagement but the Chairmen of the relevant committee were available to answer question at the shareholders meetings. 董事會主席因公務而未能出席本集團之股東週年大會，惟有關委員會主席於股東大會回答提問。

Investor relations

The Group is committed to fostering productive and long-term relationships with shareholders and investors through open and prompt communication. Various channels have been established to facilitate transparency. Key information on the Group, which is continuously updated, annual reports and webcasts of results presentations are available on our corporate website (www.hkcholdings.com). In addition to the AGM in which shareholders can put questions to directors about the Group's performance, press and analysts' conferences are held at least twice a year subsequent to the interim and final results announcements. At these conferences, the management team explains the Group's business performance and future direction. The Group also seeks opportunities to communicate its strategies to investors and the public through active participation at investors' conferences, regular meetings with fund managers and potential investors, as well as through press interviews and timely press releases.

The market capitalization of the Company as at 29th December 2006, the last trading day in 2006, was HK\$5,104,396,411.80 (issued share capital: 3,645,997,437 shares at closing market price: HK\$1.4). The public float is around 25.22%.

投資者關係

本集團致力透過公開及即時溝通，與股東及投資人士締結具成效之長遠關係，並已成立不同渠道，以提高透明度。本集團持續更新之主要資料、年報及網上呈報之業績均於公司網站www.hkcholdings.com可供查閱。除可供股東就本集團表現向董事提出問題之股東週年大會外，記者招待會及分析員會議亦將於中期及全年業績公佈後舉行，最少一年舉行兩次。在該等會議上，管理層隊伍闡釋本集團之業務表現及未來方向。本集團亦將物色機會，透過積極參與投資者會議、與基金經理及有意投資者定期會面，以及透過報章訪問及適時發放新聞稿，向投資者及公眾人士傳達其策略。

本公司於二零零六年最後一個交易日二零零六年十二月二十九日之市值為5,104,396,411.80港元（收市時之市價：1.4港元計算之已發行股本：3,645,997,437股股份）。公眾持股量約25.22%。



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Shareholders' Rights

Shareholders are encouraged to attend the annual general meetings for which at least 21 days' notice is given. All shareholders have statutory rights to call for special general meeting and put forward agenda items for consideration by shareholders. The Chairman and/or Directors are available to answer questions on the Group's businesses at the meetings.

To foster effective communications with shareholders and investors, the Company is committed to providing clear and full performance information of the Group in its annual report, interim report and press releases. In addition to dispatching circulars, notices, financial reports to shareholders, the Company also disseminates information relating to the Group and its business electronically through its website at www.hkcholdings.com.

股東權利

本集團鼓勵股東出席股東週年大會，而彼等就此將獲給予最少21天的通知。所有股東均有法定權利召開股東特別大會，並於提呈討論事項以供股東考慮。主席及/或董事將於大會上解答有關本集團業務之提問。

為培育股東與投資者之間作出有效之溝通，本公司承諾於其年度報告、中期報告及新聞稿中提供有關本集團清晰及詳盡之資料。除了向股東寄發通函、通告及財務報告外，本公司亦透過其網站www.hkcholdings.com以電子形式發放有關本集團及其業務之資料。

E.2 Voting by poll 按股數投票表決

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
E.2.1	Chairman of the meeting should disclose in circular procedures and rights to demand a poll. 大會主席應在通函披露要求以按股數投票方式表決之程序及權利。	✓	The procedures for demanding a poll by the shareholders were incorporated in the circular for each event. 股東要求以按股數投票方式表決之程序已載於就各事件刊發之通函內。
E.2.2	Chairman should count and indicate level of proxies lodged on each resolution, and the balance for and against the resolution. 主席應點算及指出就各決議案提交受委代表之水平，以及贊成及反對該決議案之對比。	✓	The chairman of the Board had duly performed the E.2.2 and E.2.3 of the Code Provisions in the shareholders meeting. The share registrar of the Company, was present to assist and ensure the votes were properly counted. 董事會主席已於股東大會正式履行守則條文第E.2.2及E.2.3條之規定。本公司之股份過戶登記處出席大會，以協助及確保票數點算妥當。
E.2.3	Chairman should explain procedures for demanding and conducting a poll at the commencement of meeting. 主席應於大會開始時解釋要求及進行按股數投票表決之程序。	✓	

Beyond the Code

With a view to continuously improve its corporate governance, transparency and accountability to its shareholders, the Company goes beyond the Code Provisions in the following aspects:-

- (i) the Company has arranged appropriate liability insurance cover, which is reviewed on an annual basis, for liabilities arising out of activities from being directors of the Group;
- (ii) the Group established a nomination committee on 22nd August 2005, in which three-fourth of its committee members are INEDs. The terms of reference of nomination committee adopted by the Board dealt clearly with the Board committee's authority and duties and incorporated all the duties set out in A.4.5 (a) to (d) of the recommended best practices in the CG Code. The terms of reference of the nomination committee with its role and authority delegated by the Board is made available on the Company's website. Pursuant to its terms of reference, the nomination committee should be provided with sufficient resources;
- (iii) disclosure on division of responsibility between the Board and management is set out in the section A – Directors of the corporate governance report.

守則以外範圍

為持續改善企業管治、透明度及對其股東之問責性，本公司超出守則條文，於以下範疇恪守良好管治：

- (i) 本公司已就本集團董事活動以外情況產生之責任投買合適責任保險，並每年審閱；
- (ii) 本集團於二零零五年八月二十二日成立提名委員會，成員中四分之三為獨立非執行董事。董事會採納之提名委員會職權範圍與董事委員會之權力及職責清晰區分，並已納入企管守則之建議最佳常規第A.4.5(a)至(d)條載列之所有職責。提名委員會之職權範圍連同其角色及董事會授予之權力，於本公司網站可供查閱。根據其職權範圍，提名委員會將獲提供足夠資源；
- (iii) 董事會與管理層職責分工之披露載於企業管治報告A節 – 董事內。