

CORPORATE GOVERNANCE REPORT

企業管治報告



INTERNAL AUDIT / COMPLIANCE, LEGAL AND RISKS CONTROL

From left to right:

Ireen YEUNG, Thomas HULME, Warwick CHAU

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The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of integrity, transparency and accountability. The Board of Directors believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the light of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of The Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") which came into effect on 1 January 2005, the Board has reviewed the corporate governance practices of the Company, with the adoption of the various enhanced procedures which are detailed in this Report. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31 December 2006, except for certain deviations as specified, with considered reasons for such deviations explained below. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

本公司致力於切合實際之範圍內維持高水平之企業管治，以強調誠信、高透明度及問責性為原則。董事會相信優良之企業管治對本公司之成功及提升股東價值至為重要。

企業管治常規守則

根據已於2005年1月1日起生效之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所載之企業管治常規守則（「企業管治守則」），董事會已審閱本公司之企業管治常規，並已採納多項經改進之程序，詳情載於本報告內。除下文解釋之若干已闡明原因之偏離行為外，於截至2006年12月31日止年度，本公司已應用企業管治守則之原則及遵守適用之守則條文。董事會將至少每年檢討現行之常規一次，並在其認為需要時作出適當更改。

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THE BOARD

The Board currently comprises seven Directors in total, with two Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors (“INEDs”). The composition of the Board during the year and up to the date of this Report is set out as follows:

Executive Directors: Lee Seng Huang (*Chairman*)
(*appointed on 1 January 2007*)
Joseph Tong Tang

Non-Executive Directors: Patrick Lee Seng Wei
(*re-designated as Non-Executive Director on*
30 January 2007)
Arthur George Dew
(*resigned on 31 December 2006*)

INEDs: David Craig Bartlett
Alan Stephen Jones
Carlisle Caldwell Procter
Peter Wong Man Kong

The brief biographical details of the existing Directors are set out in the “Brief Biographical Details in respect of Directors and Senior Management Staff” section in the Directors’ Report on pages 73 to 76.

During the year, the Non-Executive Directors (a majority of whom are independent) provided the Group with a wide range of expertise and experience. Their active participation in the Board and Committee meetings brought independent judgment on issues relating to the Group’s strategy, performance and management process, taking into account the interests of all shareholders.

董事會

董事會目前共由七名董事組成，包括兩名執行董事、一名非執行董事及四名獨立非執行董事。董事會於年內及截至本報告日期止之成員如下：

執行董事： 李成煌 (主席)
(於2007年1月1日委任)
唐登

非執行董事： 李成偉
(於2007年1月30日
調職為非執行董事)
狄亞法
(於2006年12月31日辭任)

獨立非執行 白禮德
董事： Alan Stephen Jones
Carlisle Caldwell Procter
王敏剛

各現任董事之簡短個人資料載於第73至76頁董事會報告中「董事及高層管理人員之簡短個人資料」一節內。

於年內，非執行董事（大部份為獨立非執行董事）為本集團提供廣泛之專業知識及經驗。彼等積極參與董事會及委員會會議，在全體股東利益的前題下，對本集團之策略、表現及管理程序之事宜提供獨立判斷。

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Throughout the year and up to the date of this Report, the Company has four INEDs representing more than one-third of the Board. Two of the four INEDs have the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operations and financial performance of the Group, in addition to the meetings for reviewing and approving the Group's annual and interim results or such other ad hoc matters which shall be dealt with by the Board in meetings. The Chief Financial Officer and other relevant senior executives are invited to attend Board meetings to make presentations and answer the Board's enquiries.

於整年及截至本報告日期止，本公司之四名獨立非執行董事佔董事會人數多於三分之一，其中兩名獨立非執行董事均具備上市規則第3.10條所列的適當專業資格或會計或相關財務管理專長。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載指引下之獨立性。

除召開會議審閱及批准本集團之全年及中期業績以及其它須由董事會經會議處理之臨時事項外，董事會亦定期舉行會議，討論本集團之整體策略以及營運及財務表現。財務總監及其他有關高級行政人員均會被邀請出席董事會會議以作簡報及解答董事會提問。

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During the year, ten Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事會於年內共舉行十次會議，各董事之出席率如下：

| | | Number of Board meetings attended/eligible to attend 出席／具資格出席 董事會會議之次數 |
|---|--|---|
| Executive Directors: | | |
| Joseph Tong Tang | 執行董事： 唐登 | 9/10 |
| Patrick Lee Seng Wei <i>(re-designated as Non-Executive Director on 30 January 2007)</i> | 李成偉 <i>(於2007年1月30日調職為非執行董事)</i> | 9/10 |
| Non-Executive Director: | | |
| Arthur George Dew <i>(Chairman)</i> <i>(resigned on 31 December 2006)</i> | 非執行董事： 狄亞法 (主席) <i>(於2006年12月31日辭任)</i> | 10/10 |
| INEDs: | | |
| David Craig Bartlett | 獨立非執行董事： 白禮德 | 9/10 |
| Alan Stephen Jones | Alan Stephen Jones | 7/10 |
| Carlisle Caldow Procter | Carlisle Caldow Procter | 10/10 |
| Peter Wong Man Kong | 王敏剛 | 6/10 |

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalized and set out in writing which was approved by the Board in June 2005. The Board will review the same once a year.

經董事會決定或考慮之事宜包括本集團整體策略、全年營運預算、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予行政管理人員，並由執行委員會（其具有明確之書面職權範圍）指示/監督。董事會及本公司管理層之職能已分別確立並以書面列載，且已於2005年6月獲董事會批准。董事會將每年對上述職能作出檢討。

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Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, 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 will be dealt with by the Board at a duly convened Board meeting. The Articles of Association of the Company also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his associates have a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure was established in June 2005 to enable the Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

董事會定期會議的舉行日期於每年預先編定，以便更多董事出席會議。召開董事會會議一般會給予所有董事至少14天之通知，彼等皆有機會提出商討事項以列入會議議程內。公司秘書協助主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般會在舉行董事會定期會議（及於可行情況下，其他董事會會議）的預定日期前3天送呈所有董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供所有董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時在任何合理時間內查閱。

根據董事會現行慣例，倘主要股東或董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則有關事項會於正式召開之董事會會議上處理。本公司之組織章程細則亦規定，除當所述之例外情況外，董事須就批准該名董事或其任何聯繫人士擁有重大權益之任何合約或安排之會議上放棄投票，彼亦不會被計算於該等會議之法定人數內。

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理人員。董事將獲持續提供上市規則及其他適用監管規定之重大發展之最新資料，以確保彼等遵守及秉持良好之企業管治常規。此外，書面程序已於2005年6月制定，讓各董事在履行其職務時，可在適當之情況下尋求獨立專業意見，有關合理費用由本公司承擔。

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ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, the roles of the Chairman and Chief Executive officer (“CEO”) were separate and performed by different individuals in compliance with the code provision A.2.1 of the CG Code. The organization structure of the Company was reviewed and revised following the appointment of Mr. Lee Seng Huang as the Executive Chairman with effect from 1 January 2007. Under the current structure, the functions of a CEO are performed by the Executive Chairman, Mr. Lee Seng Huang, in conjunction with another Executive Director, Mr. Joseph Tong Tang, and a senior executive, Mr. Christophe Lee Kin Ping, with a clear division of responsibilities. While the Executive Chairman is charged with the role to oversee the management of the corporate administrative functions as well as the Group’s interests in its principal investments in United Asia Finance Limited and Quality HealthCare Asia Limited (whose day-to-day management lies with their designated Managing Director and CEOs respectively), Mr. Joseph Tong Tang is acting as the CEO of Wealth Management, Capital Markets & Brokerage to focus on the said lines of businesses and Asset Management is headed by Mr. Christophe Lee Kin Ping in his capacity as CEO of the said division. The Board believes that this structure spreads the workload that would otherwise be borne by an individual CEO, allowing the faster growing businesses of the Group to be overseen by the appropriately qualified and experienced senior executives in those fields. It can also enhance communications and speed up the decision making process across the Company.

主席及行政總裁之角色

遵照企業管治守則之守則條文A.2.1，主席及行政總裁之角色於年內有所區分及由不同人士出任。繼李成煌先生由2007年1月1日起出任執行主席後，對本公司之組織架構進行了檢討及修訂。根據現行架構，行政總裁之職能由執行主席李成煌先生聯同另一名執行董事唐登先生以及一名高級行政人員李建平先生履行，彼等之職責已清楚區分。執行主席乃負責監察公司之行政管理以及集團於亞洲聯合財務有限公司及卓健亞洲有限公司之主要投資之權益（其日常管理工作由彼等各自委派之董事總經理及行政總裁履行），唐登先生則擔任財富管理、資本市場及經紀業務之行政總裁以專注於上述業務範疇，而資產管理業務乃由其行政總裁李建平先生主管。董事會相信，此架構將原應由單一行政總裁承擔之工作量分散，讓集團迅速發展之業務由稱職且於相關事務上具資深經驗之高級行政人員管理。此舉更可加強本公司之內部溝通及加快決策過程。

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The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority can be maintained by the operation of the Board, which comprises a majority of INEDs and meets regularly at least four times a year to discuss the business and operational issues of the Group.

The Executive Chairman is responsible for the leadership of the Board, ensuring that all significant policy issues are discussed by the Board in a timely and constructive manner, that all Directors are properly briefed on issues arising at Board meetings and that the Directors receive adequate, reliable and timely information.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In June 2005, the Board has established and adopted a written nomination procedure (the “Nomination Procedure”) specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Chairman of the Board shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment. The Nomination Procedure was revised in September 2006 to provide for the case of filling a vacancy of the Chairman of the Board where the recommendation of the proposed candidate shall then be made by the Executive Committee.

董事會認為此架構不會損害本公司董事會與管理層之間之權力和授權分佈均衡。董事會（成員大多數為獨立非執行董事）每年定期舉行至少四次會議以討論集團之業務及營運事宜，故透過董事會之運作，可保持權力和授權分佈均衡。

執行主席負責領導董事會，確保董事會及時就所有重要政策事宜作建設性討論、所有董事就董事會會議上之提問獲合適簡報，以及董事收到充足、可靠及適時資料。

董事之委任及重選

於2005年6月，董事會已設立並採納一套以書面列載之提名程序，具體列明本公司董事候選人之挑選準則及推薦程序。董事會主席須以提名程序所載之該等準則（如恰當資歷、個人專長及可投放時間等）作為基準確定及向董事會推薦董事人選，以予批准委任。提名程序於2006年9月作修訂，列明倘為填補董事會主席臨時空缺之情況，則繼任人選須由執行委員會推薦。

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New Directors, on appointment, will be given an induction package containing all key applicable legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

All Non-Executive Directors (including INEDs) of the Company were appointed for a specific term of one year, but subject to the relevant provisions of the Articles of Association of the Company or any other applicable laws whereby the Directors shall vacate or retire from their office. The term of appointment of the Non-Executive Directors has been renewed for one further year upon expiry on 31 December 2006.

According to the Articles of Association of the Company, any Director appointed to fill a casual vacancy shall retire and be subject to re-election by shareholders at the Company's first general meeting after the appointment. Any Director appointed as an addition to the Board shall also hold office only until the next following annual general meeting of the Company and shall be eligible for re-election at that meeting. Further, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. Hence, every Director will be subject to retirement by rotation at least once every three years.

新任董事在接受委任時將會獲得一套就任資料文件，當中載有所有主要適用之法律及上市規則規定，以及董事應履行責任之有關指引。資料文件亦包括本公司最新刊發之財務報告及董事會所採納之企業管治常規文件。高層管理人員其後會向新任董事作所需簡報，以提供有關本集團業務及運作之更詳細資料。

所有本公司非執行董事（包括獨立非執行董事）之任期已設定為一年，惟須受本公司組織章程細則在董事離職或退任上之有關條文或任何其他適用法例所規限。非執行董事之任期至2006年12月31日期滿後已獲再續期一年。

根據本公司之組織章程細則，任何獲委任以填補臨時空缺之董事須於本公司在其委任後的首次股東大會上退任，而彼須於該大會上接受股東重選。任何獲委任以作董事會新增成員之董事任期亦僅至本公司下屆股東週年大會為止，屆時彼可於該大會上膺選連任。此外，在本公司每屆股東週年大會上，三分之一當時在任之董事（或倘其人數並非三或三之倍數，則以最接近但不少於三分之一之數目）須輪值退任。因此，每名董事將須至少每三年輪值退任一次。

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BOARD COMMITTEES

The Remuneration Committee, Audit Committee and Executive Committee are all long established. Each of the Committees has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the Committees, which are kept by the Company Secretary, are circulated to all Board members and the Committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section “The Board” above, have been adopted for the Committee meetings so far as practicable.

In January 2007, the Board established the Risk Management Committee which shall operate according to its specific written terms of reference. Copies of all minutes of meetings and resolutions of the Risk Management Committee, which will be kept by the Secretary of the Committee, shall be presented to the Board at its regular meetings and the Committee shall report to the Board on any material incidents or developments impacting on risk or internal control issue.

董事委員會

薪酬委員會、審核委員會及執行委員會在很久以前經已成立，上述各委員會之職權範圍均以書面具體列明。所有該等委員會之會議記錄及決議案由公司秘書保存，副本則提供予所有董事會成員傳閱，而各委員會需向董事會匯報其決定及作出建議（倘適合）。董事會會議之程序及安排（於上文「董事會」一節提述）已於可行情況下在委員會會議上採納。

於2007年1月，董事會成立風險管理委員會，該委員會根據其書面列明之具體職權範圍運作。風險管理委員會之會議記錄及決議案均由委員會秘書保存，並在定期會議上向董事會提交副本，而風險管理委員會需向董事會匯報影響風險或內部監控事宜的任何重大事件或發展。

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Remuneration Committee

The Remuneration Committee (formerly known as Compensation Committee) has been established since April 1985 and currently consists of four members, including Messrs. Peter Wong Man Kong (Chairman of the Committee), David Craig Bartlett, Alan Stephen Jones and Carlisle Caldow Procter, all of whom are INEDs. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to review and recommend to the Board the remuneration policy and packages of the Directors and, where appropriate, to consult the Chairman and/or CEO about the Committee's proposals relating to the remuneration of other Executive Directors;
- (ii) to review and recommend performance-based remuneration by reference to corporate goals and objectives approved by the Board from time to time;
- (iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;
- (iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (v) to ensure that no Director is involved in deciding his own remuneration.

薪酬委員會

薪酬委員會（由Compensation Committee易名為Remuneration Committee）自1985年4月經已成立，目前由四名成員組成，包括王敏剛先生（委員會主席）、白禮德先生、Alan Stephen Jones先生及Carlisle Caldow Procter先生，全部均為獨立非執行董事。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (i) 檢討董事之薪酬政策及待遇，並向董事會提出建議，及（倘適合）就其他執行董事薪酬之相關委員會建議，諮詢主席及/或營運總監；
- (ii) 透過參照董事會不時批准之公司目標，檢討並建議按表現而釐定之薪酬；
- (iii) 檢討並建議向執行董事支付與其任何喪失或終止職務或委任有關之賠償；
- (iv) 檢討並建議因董事行為失當而解僱或罷免有關董事所涉及之賠償安排；及
- (v) 確保概無董事參與釐定其本身之薪酬。

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The terms of reference of the Remuneration Committee of the Company were revised in June 2005 to comply with the code provision B.1.3 of the CG Code, but with a deviation from the code provision of the remuneration committee's responsibilities to determine the specific remuneration packages of all executive directors and senior management of a listed company. The Board considers that the Remuneration Committee of the Company should review (as opposed to determine) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management for the following reasons:

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- (i) the Board believes that the Remuneration Committee is not properly in a position to evaluate the performance of senior executives and that this evaluation process is more effectively carried out by the Executive Directors;
 - (ii) all the Remuneration Committee members are INEDs who may not be industry skilled and come from differing professions and backgrounds and they are not involved in the daily operation of the Company. They may have little direct knowledge of industry practice and standard compensation packages. The Remuneration Committee is thus not in a position to properly determine the remuneration of the Executive Directors;
 - (iii) the Executive Directors must be in a position to supervise and control senior management and thus must be able to control their compensation; and
 - (iv) there is no reason for Executive Directors to pay senior management more than industry standards and thus shareholders will benefit by reducing costs in the fixing of such compensation packages.

為遵守企業管治守則之守則條文B.1.3，本公司薪酬委員會之職權範圍已於2005年6月作出修訂，惟就該守則條文在薪酬委員會須釐定上市公司所有執行董事及高層管理人員之特定薪酬待遇之職責方面有所偏離。董事會認為，本公司薪酬委員會僅會就執行董事（不包括高層管理人員）之薪酬待遇作出檢討（而非釐定），並僅向董事會作出建議，理由如下：

- (i) 董事會認為薪酬委員會並不適宜評估高級管理人員之表現，而有關評估程序由執行董事執行將更為有效；
- (ii) 薪酬委員會成員全部由獨立非執行董事組成，彼等來自不同行業、具有不同背景，或會對本公司經營之行業並不完全熟悉，且並無參與本公司之日常運作。彼等對有關業界慣例及薪酬待遇之標準亦可能無直接認識。故此，薪酬委員會並不適宜釐定執行董事之薪酬；
- (iii) 執行董事必須負責監管高級管理人員，因而須有權力操控彼等之薪酬；及
- (iv) 執行董事並無理由向高級管理人員支付高於業界標準之薪酬，而由彼等釐定其薪酬待遇可減省支出，將有利於股東。

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The revised terms of reference of the Remuneration Committee are available on the website of the Company.

薪酬委員會經修訂之職權範圍已於本公司之網站內登載。

The Remuneration Committee shall meet at least once a year. One Committee meeting was held in 2006 and the attendance of each member is set out as follows:

薪酬委員會每年須至少舉行一次會議。於2006年已舉行一次委員會會議，各成員之出席率如下：

| Committee members | 委員會成員 | Number of Committee meeting attended/eligible to attend 出席/具資格出席 委員會會議之次數 |
|--|---------------------------|--|
| Peter Wong Man Kong (<i>Chairman</i>) | 王敏剛 (主席) | 1/1 |
| David Craig Bartlett | 白禮德 | 1/1 |
| Alan Stephen Jones | Alan Stephen Jones | 1/1 |
| Carlisle Caldwell Procter | Carlisle Caldwell Procter | 1/1 |
| Arthur George Dew (<i>resigned on 31 December 2006</i>) | 狄亞法 (於2006年12月31日辭任) | 1/1 |

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2006. In 2006, the Remuneration Committee had performed the work as summarized below:

除舉行委員會會議外，薪酬委員會亦於2006年以傳閱文件方式處理事宜。於2006年，薪酬委員會已履行之工作概述如下：

- | | |
|---|--|
| (i) reviewed the remuneration packages of both the Executive and Non-Executive Directors (including INEDs); | (i) 檢討執行及非執行董事（包括獨立非執行董事）之薪酬待遇； |
| (ii) reviewed and recommended the Directors' bonuses for the year ended 31 December 2005 for the Board's approval; | (ii) 檢討及向董事會提出建議，以批准截至2005年12月31日止年度之董事花紅； |
| (iii) reviewed and recommended an increase in the monthly salary of an Executive Director for the Board's approval; | (iii) 檢討及向董事會提出建議，以批准執行董事之月薪升幅； |

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- (iv) reviewed and recommended the renewal of the term of appointment of the respective INEDs for the Board's approval; and
- (v) reviewed and recommended the remuneration package of the newly appointed Executive Chairman for the Board's approval.

Each Director will be entitled to a director's fee which is to be proposed for the shareholders' approval at the annual general meeting of the Company each year. Further remuneration payable to Directors (including any consultancy fees of the INEDs) for their additional responsibilities and services will depend on their respective contractual terms under their service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. Details of the staff remuneration policy of the Group are also set out in the "Human Resources and Training" section in the Management Discussion and Analysis on page 35.

Audit Committee

The Audit Committee has been established since April 1985 and currently consists of four members, all of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Messrs. Alan Stephen Jones (Chairman of the Committee), David Craig Bartlett, Carlisle Caldwell Procter and Peter Wong Man Kong. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

- (iv) 檢討及向董事會提出建議，以批准續訂各獨立非執行董事之任期；及
- (v) 檢討及向董事會提出建議，以批准新任執行主席之薪酬待遇。

每名董事每年將享有經由股東於本公司股東週年大會上批准之建議董事袍金。董事就彼等之其他職責與服務亦獲領取額外薪酬（包括獨立非執行董事之顧問費），該薪酬乃按有關董事各自之服務合約內之條款，在薪酬委員會向董事會提出建議並獲批准後而釐定。董事薪酬之詳情載於綜合財務報表附註8。本集團之僱員薪酬政策亦載於第35頁管理層討論及分析中「人力資源及培訓」一節內。

審核委員會

審核委員會自1985年4月經已成立，目前由四名成員（全部均為獨立非執行董事）組成。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專長之獨立非執行董事擔任主席。審核委員會之現有成員為Alan Stephen Jones先生（委員會主席）、白禮德先生、Carlisle Caldwell Procter先生及王敏剛先生。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

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The major roles and functions of the Audit Committee are:

- (i) to consider and recommend to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
- (ii) to consider and discuss with the external auditors the nature and scope of each year's audit;
- (iii) to review and monitor the external auditors' independence and objectivity;
- (iv) to review the interim and annual financial statements before submission to the Board;
- (v) to discuss any problems and reservation arising from the interim review and final audit, and any matters the external auditors may wish to discuss;
- (vi) to review the external auditors' management letters and management's response;
- (vii) to review the Group's financial controls, internal control and risk management systems;
- (viii) to review the internal audit plan, promote co-ordination between the internal and external auditors, and check whether the internal audit function is adequately resourced and has appropriate standing within the Group; and
- (ix) to consider any findings of the major investigations from the internal audit and management's response.

審核委員會之主要角色及職能如下：

- (i) 考慮外聘核數師之委任、重新委任及罷免，並向董事會提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該等核數師辭任或辭退該等核數師之問題；
- (ii) 考慮及與外聘核數師討論每年核數之性質及範疇；
- (iii) 檢討及監察外聘核數師之獨立性及客觀性；
- (iv) 於中期及全年財務報表提交董事會前先行審議；
- (v) 商議就中期審閱及最終核數而產生之任何問題及保留事項，及外聘核數師擬商討之任何事宜；
- (vi) 審議外聘核數師之致管理層函件及管理層之回應；
- (vii) 檢討本集團之財務監控、內部監控及風險管理系統；
- (viii) 審議內部審核計劃，推動內部及外聘核數師之工作協調；及檢視內部稽核功能是否有足夠資源運作，且在本集團具有適當地位；及
- (ix) 考慮內部稽核作出之重要調查結果及管理層之回應。

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The terms of reference of the Audit Committee of the Company were revised in June 2005 (and further revised in July 2005) to comply with the code provision C.3.3 of the CG Code, but with the deviations from the code provision of the audit committee's responsibilities to:

- (i) implement policy on the engagement of the external auditors to supply non-audit services;
- (ii) ensure that management has discharged its duty to have an effective internal control system; and
- (iii) ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the listed company.

The Board considers that the Audit Committee of the Company should recommend (as opposed to implement) the policy on the engagement of the external auditors to supply non-audit services for the following reasons:

- (i) it is proper, and appropriate for the Board and its Committees to develop policy and make appropriate recommendations;
- (ii) the proper and appropriate mechanism for implementation of such policy and recommendations is through the Executive Directors and management; and
- (iii) INEDs are not in an effective position to implement policy and follow up the same on a day-to-day basis.

為遵守企業管治守則之守則條文C.3.3，本公司審核委員會之職權範圍已於2005年6月作出修訂（並於2005年7月再作修訂），惟就該守則條文在審核委員會之職責方面有所偏離：

- (i) 執行委聘外聘核數師提供非核數服務之政策；
- (ii) 確保管理層已履行其職責建立有效之內部監控系統；及
- (iii) 確保內部與外聘核數師之工作得到協調，也須確保內部稽核功能在上市公司內部獲得足夠資源運作，並且有適當之地位。

董事會認為本公司審核委員會應就委聘外聘核數師提供非核數服務之政策作出建議（而非執行），理由如下：

- (i) 由董事會及其下設之委員會制定政策及作出合適之建議乃屬恰當及合適；
- (ii) 由執行董事及管理層執行該政策及建議乃屬恰當及合適之機制；及
- (iii) 獨立非執行董事並不適宜執行日常之政策及跟進工作。

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Further, the Board considers that the Audit Committee of the Company only possesses the effective ability to scrutinize (as opposed to ensure) whether management has discharged its duty to have an effective internal control system. The Committee is not equipped to ensure that the same is in place as this would involve day-to-day supervision and the employment of permanent experts. The Audit Committee is not in a position either to ensure coordination between the internal and external auditors but it can promote the same. Similarly, the Committee cannot ensure that the internal audit function is adequately resourced but it can check whether it is adequately resourced.

The revised terms of reference of the Audit Committee are available on the website of the Company.

The Audit Committee shall meet at least three times a year. Three Committee meetings were held in 2006 and the attendance of each member is set out as follows:

此外，董事會認為本公司之審核委員會僅具備效能以監察（而非確保）管理層是否已履行其建立有效的內部監控系統之職責。由於上述事宜涉及日常監控及僱用全職之專業人員，因此，審核委員會並無能力確保上述事宜得以執行。審核委員會亦不適宜確保內部和外聘核數師之工作得到協調，惟其可推動上述事宜。同樣，審核委員會不可確保內部稽核功能獲得足夠資源運作，惟可檢視其是否獲得足夠資源運作。

審核委員會經修訂之職權範圍已於本公司之網站內登載。

審核委員會每年須至少舉行三次會議。於2006年已舉行三次委員會會議，各成員之出席率如下：

**Number of Committee meetings
attended/eligible to attend
出席/具資格出席
委員會會議之次數**

| Committee members | 委員會成員 | |
|--|-------------------------|-----|
| Alan Stephen Jones (<i>Chairman</i>) | Alan Stephen Jones (主席) | 2/3 |
| David Craig Bartlett | 白禮德 | 3/3 |
| Carlisle Caldow Procter | Carlisle Caldow Procter | 3/3 |
| Peter Wong Man Kong | 王敏剛 | 3/3 |

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During the meetings held in 2006, the Audit Committee had performed the work as summarized below:

- (i) considered and approved the terms of engagement of the external auditors for the year ended 31 December 2005;
- (ii) reviewed the reports from the external auditors, management representation letters and management's response in relation to the final audit of the Group for the year ended 31 December 2005 and the interim results review for the six months ended 30 June 2006;
- (iii) reviewed the financial reports for the year ended 31 December 2005 and for the six months ended 30 June 2006 and recommended the same for the Board's approval;
- (iv) reviewed the audit planning memorandum for the year ended 31 December 2006 submitted by the Internal Audit and Compliance department ("IAC");
- (v) reviewed the audit reports issued by the IAC and discussed the risk and internal control issues of the Group; and
- (vi) considered the proposals for the engagement of professional accountants to perform a review of the internal control system of the Group.

IAC was renamed as Internal Audit department ("IAD") following the split of the department and the establishment of the Compliance department on 26 March 2007. The split allows each individual department to carry out its functions in a more efficient and effective manner.

於2006年舉行之會議中，審核委員會已履行之工作概述如下：

- (i) 考慮及批准截至2005年12月31日止年度外聘核數師之聘用條款；
- (ii) 審議外聘核數師就截至2005年12月31日止年度之最終核數及截至2006年6月30日止六個月之中期業績審閱所作出之報告、有關之管理層聲明函件及管理層之回應；
- (iii) 審議及向董事會提出建議，以批准截至2005年12月31日止年度及截至2006年6月30日止六個月之財務報告；
- (iv) 審議截至2006年12月31日止年度由稽核及法規監核部提交之審核計劃；
- (v) 審議由稽核及法規監核部提交之審核報告及討論本集團之風險與內部監控事宜；及
- (vi) 考慮委聘專業會計師之建議，以就本集團之內部監控系統進行審閱。

於2007年3月26日，稽核及法規監核部隨着其分拆而成立法規監核部後，已易名為稽核部。該分拆使個別部門能各自以更高效率及效益之方式執行其職務。

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Executive Committee

The Executive Committee has been established since November 1983 and currently consists of two Executive Directors, being Messrs. Lee Seng Huang (Chairman of the Committee) and Joseph Tong Tang. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board of the Company, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and will also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

- (i) to formulate and implement policies for the business activities and internal control and administration of the Group; and
- (ii) to plan and decide on strategies to be adopted for the business activities of the Group within the overall strategy of the Group as determined by the Board.

Risk Management Committee

The Risk Management Committee was established in January 2007 and consists of two Executive Directors, being Messrs. Lee Seng Huang (Chairman of the Committee) and Joseph Tong Tang (alternate Chairman of the Committee), and three other members from the Company's senior management, being Messrs. Patrick Poon Mo Yiu (Chief Financial Officer), Thomas Bennington Hulme (Head of Legal and Head of Risk) and Tony Leung King Yuen (Head, Operations & Credit).

執行委員會

執行委員會自1983年11月經已成立，目前由兩名執行董事組成，包括李成煌先生（委員會主席）及唐登先生。執行委員會獲授予本公司董事會所獲授予關於本集團業務的所有一般管理及監控權，惟根據執行委員會之書面職權範圍須留待董事會決定及批准之該等事宜除外。

執行委員會將於有需要時舉行會議，以討論本集團之營運事務，亦會透過傳閱文件方式處理事宜。執行委員會主要負責處理及監察日常管理事務，並有權：

- (i) 制定及執行有關本集團之商業活動、內部監控及行政之政策；及
- (ii) 按董事會所釐定之集團整體策略，就集團商業活動規劃及決定將予採納之策略。

風險管理委員會

風險管理委員會於2007年1月成立，成員包括兩名執行董事李成煌先生（委員會主席）及唐登先生（委員會替任主席），而其他三名委員為本公司高級管理層，分別為潘慕堯先生（財務總監）、韓滔文先生（法律部及風險部主管）及梁景源先生（股票行政及信貸部主管）。

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The Risk Management Committee shall meet as and when necessary but at least once a month. The Risk Management Committee, supported by the Risks Control department, is charged with the major responsibilities to define, analyse, and ensure, through appropriate mechanisms, the monitoring of the various risks which may be encountered by the Group from its various activities pursuant to the written terms of reference of the Committee. The Risk Management Committee shall also act as a provider of assurance (in conjunction with Internal Audit and Compliance departments and the Group's external auditors) to the Board in its annual review of various risk management functions.

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CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company 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 as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specified enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

To comply with the code provision A.5.4 of the CG Code, the Company has also adopted in June 2005 the Model Code for securities transactions by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

風險管理委員會將於有需要時舉行會議，但每月至少須舉行一次會議。根據風險管理委員會之書面職權範圍，委員會在風險管理部之支援下，主要負責對本集團於進行業務中所產生之各種風險作出界定及分析，並確保(透過適用機制)該等風險得以監察。風險管理委員會(連同稽核部及法規監核部與本集團之外聘核數師)亦會就各風險管理職能之年度檢討向董事會提供保證。

董事及相關僱員進行證券交易之守則

本公司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的標準守則(「標準守則」)，作為其董事進行證券交易之行為守則。經本公司作出特定查詢後，所有董事已確認彼等已遵照標準守則所載之規定標準。

為遵守企業管治守則之守則條文A.5.4，就若干被認為可能擁有關於本公司或其證券之未公開股價敏感資料之本公司或其任何附屬公司之僱員進行證券交易，本公司亦已於2005年6月採納標準守則為其準則。

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ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from Finance department, the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2006, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgment and estimates that are prudent and reasonable and ensure the financial statements are prepared on the going concern basis.

The reporting responsibilities of the Company's external auditors, Deloitte Touche Tohmatsu ("Deloitte"), are set out in the Independent Auditor's Report on pages 107 to 109.

External Auditors' Remuneration

During the year and up to the date of this Report, the remuneration paid to the Company's external auditors, Deloitte, is set out as follows:

| Services rendered for the Group | 為本集團提供之服務 | Fees paid 支付之費用 HK\$'000 千港元 |
|---|-------------------|---------------------------------------|
| Audit services | 核數服務 | 6,070 |
| Non-audit services (taxation and other professional services) | 非核數服務 (稅項及其他專業服務) | 4,471 |
| Total: | 合計： | 10,541 |

問責性及審核

財務報告

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。於編製截至2006年12月31日止年度之財務報表，已採用香港普遍接納之會計原則，並按照香港會計師公會頒佈之香港財務報告準則及香港會計準則以及香港公司條例之規定。董事認為所選擇的會計政策適當並且貫徹應用，而所作判斷及估計審慎合理，亦確保按持續經營基準編製財務報表。

本公司外聘核數師德勤•關黃陳方會計師行(「德勤」)之匯報責任載於獨立核數師報告第107至109頁。

外聘核數師之酬金

於年內及截至本報告日期止，已支付予本公司外聘核數師德勤之酬金載列如下：

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INTERNAL CONTROL

The Board has the responsibility to ensure that the Group maintains sound and effective internal controls to safeguard the Group's assets.

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's objectives. In addition to safeguarding the Group's assets, it should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are also established to identify, measure, manage and control different risks arising from different business and functional activities. Risk control limits are established and approved at the appropriate level. A more detailed discussion of the policies and procedures for management of each of the major types of risk the Group is facing is included in note 53 to the consolidated financial statements (financial risks including market risk, credit risk, liquidity risk and interest rate risk) and under the "Management of Risks" section contained in the Management Discussion and Analysis.

The Group's independent IAD plays an important role to provide assurance to the Board that a sound internal control system is maintained and operated by the management. It performs periodical reviews and checks in accordance with its annual audit plan, which has been reviewed by the Audit Committee and approved by the Chairman, to ensure the adequacy of the internal controls and their compliance by the relevant personnel. It also assists the Risk Management Committee with the design and implementation of management systems to monitor and control risks especially

內部監控

董事會負責確保本集團維持健全而有效之內部監控，藉以保障本集團之資產。

內部監控系統之設立目的在於就防止重大錯誤陳述或損失提供合理（但非絕對）之保證；管理（但非完全消除）系統失誤之風險；以及協助本集團達成目標。除保障本集團之資產外，亦應確保備存妥善之會計記錄及協助遵守有關法例及監管條例。

本集團亦已設立系統及程序，以識別、衡量、管理及監控不同業務及職能所產生之不同風險。風險管理規限經已制訂並已獲得適當批准。有關本集團所面對之各主要類別風險（財務風險包括市場風險、信貸風險、流動資金風險及利率風險）之管理政策及程序，於綜合財務報表附註53及管理層討論及分析「風險管理」一節內有更詳細論述。

本集團獨立運作之稽核部擔當重要角色，就管理層設立及執行健全之內部監控系統向董事會作出保證。該部門根據經審核委員會審閱及獲主席批准之全年審核計劃，定期進行審閱及查察，確保集團有充份之內部監控，有關人員亦遵守相關規定。該部門亦協助風險管理委員會設計及實施管理系統，藉以監察及監控風險，尤其是有關新產品及新電腦

CORPORATE GOVERNANCE REPORT

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pertaining to new products and new computerized systems and new or revised departmental internal control procedures. Reports of the IAD, issued to the Chairman, the Audit Committee, senior management and relevant management staff, are discussed and minuted at the Audit Committee meetings.

The Group each year conducts a review of the effectiveness of its internal control systems covering all material controls such as business, compliance, financial and operational. The review is conducted for the purpose of assessing and documenting major risks and specifying internal controls. Management provides guidelines for various divisions within the Group to analyze and evaluate major risks. The assessment is performed by the operating divisions and coordinated by the Group's Risks Control department. The results of the self-assessments have been reported to the Audit Committee and the Board.

In addition to the usual self-assessment, in 2006 the Group engaged an external consultant to perform an independent review of the controls for a substantial part of the Group's operations. This additional measure was adopted to assist in further strengthening our internal control systems and to improve overall corporate governance culture. The consultant's report on the internal controls assessment was completed in early 2007 and has been reported to the Audit Committee and the Board. The IAD will carry out follow up review on findings and recommendations of the external consultant.

The Company's principal subsidiaries, United Asia Finance Limited (as well as its 74.99% owned listed subsidiary The Hong Kong Building and Loan Agency Limited) and Quality HealthCare Asia Limited, are managed under independent systems of internal controls. These subsidiaries have provided appropriate assurance on their compliance with the CG Code regarding internal control systems in general to the Company.

系統的設立，以及新訂或經修訂之部門內部監控程序方面。稽核部呈交主席、審核委員會、高級管理層及有關管理人員之報告，會於審核委員會會議上討論並作記錄。

本集團每年會檢討內部監控系統之效用，涵蓋範圍包括業務、法規、財務及營運等所有重大監控事宜。進行檢討之目的在於評估及記錄各主要風險以及列明內部監控措施。管理層向集團旗下各部門提供分析及評核主要風險之指引，由各營運部門在集團之風險管理部作出協調下進行風險評估。各部門作出之自我評估結果已向審核委員會及董事會匯報。

除一般之自我評估外，於2006年，本集團亦委聘外聘顧問對其絕大部份業務之營運監控進行獨立檢討。此項額外措施旨在進一步加強集團之內部監控系統，以及改進整體企業管治文化。該顧問已於2007年初完成有關之內部監控評估報告，並已向審核委員會及董事會匯報。稽核部將會跟進檢討外聘顧問所提供之結果及建議。

本公司之主要附屬公司亞洲聯合財務有限公司（連同其擁有74.99%權益之上市附屬公司香港建屋貸款有限公司）及卓健亞洲有限公司乃受其獨立內部監控系統管理。此等附屬公司已向本公司就遵循企業管治守則內之整體內部監控系統規定作出適當之保證。

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The Audit Committee and the Board have reviewed the effectiveness of internal control systems of the Group and fulfilled the requirement of the CG Code regarding internal control systems in general.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the Company's website.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The then Chairman of the Board attended and chaired the 2006 Annual General Meeting ("AGM") of the Company to answer any questions from the shareholders. Though the Chairmen of the Audit Committee and Remuneration Committee were unable to attend the AGM personally due to their other business commitments, the Chairman of the Board was delegated to answer questions at the AGM in their absence. A separate resolution was proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular was distributed to all shareholders more than 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explained the procedures for demanding and conducting a poll again at the beginning of the AGM, and disclosed how many proxies for and against had been received in respect of each resolution.

審核委員會及董事會已檢討本集團內部監控系統之有效性，並符合企業管治守則內之整體內部監控系統規定。

與股東之溝通

董事會瞭解與股東保持良好溝通之重要性。有關本集團之資料乃按時透過多種正式途徑（包括中期報告及年報、公佈及通函等）向股東傳達。該等刊發文件連同最近期之公司資料及消息均在本公司的網站上可供查閱。

本公司股東週年大會乃董事會直接與股東溝通之寶貴機會。上任董事會主席出席並主持本公司之2006年股東週年大會（「股東週年大會」），以回答股東之任何提問。雖然審核委員會及薪酬委員會之主席均因其他公事繁忙而未能親身出席股東週年大會，董事會主席已獲委派於股東週年大會上代表彼等回答提問。在股東週年大會上，主席就每項事宜個別提出決議案。股東週年大會通函於股東週年大會舉行多於21天前發送予全體股東，該通函載列每項擬提呈決議案之詳情、投票程序（包括要求以股數投票方式進行表決之程序）及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以股數投票方式進行表決之程序，及披露就每項決議案已接獲委任代表之贊成及反對之票數。

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In 2006, two extraordinary general meetings (“EGMs”) of the Company were held for the purpose of approving the placing and subscription of shares of the Company (the “Placing & Subscription”), a connected transaction, and the Group’s acquisition of UAF Holdings Limited (the “UAF Acquisition”), a very substantial acquisition and connected transaction. Details of the two transactions are set out in the circulars of the Company dated 14 July 2006 and 30 June 2006 respectively. Both members of the Independent Board Committee, which was formed specifically for considering the Placing & Subscription, were unable to attend the relevant EGM due to their other business commitments, but an Executive Director together with the representatives from the Company’s solicitors and the independent financial adviser were available to answer questions at the meeting in their absence. A member of the Independent Board Committee, which was formed specifically for considering the UAF Acquisition, had attended the relevant EGM to answer any shareholders’ questions. At the EGMs, the Chairmen of the meetings briefed on the poll voting procedures and the rights of shareholders to demand a poll, which were also detailed in the relevant circulars of the Company issued for the respective transactions, and the transactions had been voted on by poll at the EGMs respectively pursuant to the requirement of the Listing Rules. The poll results were published in newspapers and on the Company’s website.

於2006年，本公司曾舉行兩次股東特別大會（「股東特別大會」），藉以批准本公司之股份配售及認購（「配售及認購事項」，為一項關連交易）以及本集團收購UAF Holdings Limited（「UAF收購事項」，為一項非常重大收購及關連交易）。該兩項交易之詳情已分別列載於本公司於2006年7月14日及2006年6月30日刊發之通函內。就考慮配售及認購事項而特別成立之獨立董事委員會的兩名成員均因其他公事繁忙而未能出席有關股東特別大會，但本公司已委派一名執行董事聯同本公司之律師及獨立財務顧問之代表出席該大會以回答提問。就考慮UAF收購事項而特別成立之獨立董事委員會的其中一名成員已出席有關股東特別大會以回答任何股東提問。於該等股東特別大會上，大會主席已簡述以股數投票方式表決之程序及股東要求以股數投票方式表決之權利，而上述事宜亦詳載於本公司就有關交易而刊發之通函內。根據上市規則，該等交易已分別於股東特別大會上以股數投票方式表決，而表決結果已於報章及本公司網站內刊登。

CORPORATE GOVERNANCE REPORT

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CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

On behalf of the Board



Lee Seng Huang
Executive Chairman

Hong Kong, 11 April 2007

提升企業管治水平

提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。吾等將按經驗、監管條例之變動及發展，不斷檢討並於適當時改善本公司之現行常規。本公司歡迎股東提供任何意見及建議以提高及增加公司之透明度。

承董事會命



執行主席
李成煌

香港，2007年4月11日