



EXPERIENCED AND STABLE
MANAGEMENT AND **COMBINED WITH**
STRATEGIC PARTNERS



可靠資深的管理層
與策略性夥伴

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Group has applied the corporate governance practices and believes that effective corporate governance will improve the transparency and enhances the shareholder's value.

The Listing of the Company took place on 8 June 2007 and the Directors are of the opinion that the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") under Appendix 14 of the Listing Rules since the Listing.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Director of the Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code for Directors' securities transactions. All Directors have confirmed to the Company their compliance with the required standards set out in the Model Code throughout the period from 8 June 2007 (the Listing Date) to 31 July 2007.

BOARD OF DIRECTORS

Composition of the Board of Directors

The Board comprises six executive Directors and three independent non-executive Directors. The function of the Board is to guide the management to ensure the interests of the shareholders are safeguard.

企業管治常規

本集團已採納企業管治常規，並相信有效的企業管治將提高公司的透明度及增加股東的價值。

本公司於二零零七年六月八日上市，董事認為本公司自上市起已一直遵守載於上市規則附錄十四企業管治常規守則的守則條文（「企業管治守則」）。

董事的證券交易

本公司已採納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」）作為董事進行證券交易的守則。全體董事已向本公司確認彼等自二零零七年六月八日（上市日期）起至二零零七年七月三十一日期間一直遵守標準守則所載的規定。

董事會

董事會的組成

董事會由六名執行董事與三名獨立非執行董事組成。董事會的職責為引導管理層確保本公司股東的權益受到保障。

Corporate Governance Report

企業管治報告

The Board members for the year ended 31 July 2007 were: 於截至二零零七年七月三十一日止年度，董事會成員為：

Executive Directors

Mr. Huang Sheng-Shun (*Chairman*)
 Mr. Wu Ih Chen (*Chief Executive Officer*)
 Mr. Huang Chi-Wei
 Mr. Lin Hung-Ming
 Mr. Wong Tak Leung
 Mr. Huang Te-Wei

Independent Non-executive Directors

Mr. Chuang Hong-Jen
 Mr. Yeung Chi Tat
 Mr. Hsieh Yu

The biographical details of all Directors and the relationships among them are set out in the "Directors and Senior Management Profile" on pages 53 to 58 of this annual report and the Company's website. Save as disclosed in the section of "Directors and Senior Management Profile", none of the Directors has any financial, business, family or other material or relevant relationships among members of the Board.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. All executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

執行董事

黃勝舜先生(主席)
 吳意誠先生(行政總裁)
 黃琦偉先生
 林宏明先生
 黃德良先生
 黃德威先生

獨立非執行董事

莊宏仁先生
 楊志達先生
 謝裕先生

所有董事的履歷詳情及彼等之間的關係載於本年報第53頁至第58頁「董事及高級管理人員簡介」及本公司網站。除「董事及高級管理人員簡介」一節所披露者外，概無董事與董事會成員間有任何財務、商業、家族或其他重大或相關關係。

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。所有執行董事及獨立非執行董事均能為本公司帶來不同的經驗及專門技術。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the Chairman, Mr. Huang Sheng-Shun, and the Chief Executive Officer ("CEO"), Mr. Wu Ih Chen are segregated in order to ensure a clear distinction between the Chairman's and the CEO's responsibilities. This also allows a balance of power between the Board and the management of the Group, and ensures their independence and accountability.

The Chairman focuses on the Group's business and strategic matters by ensuring that all Directors are properly briefed on issues arising at Board Meeting. The Chairman also ensures that the Board is operated effectively. In addition, the Chairman will lead the Board to establish good corporate governance practices and procedures for the Group.

The CEO is responsible for ensuring the strategies and policies of the Group as approved by the Board are effectively implemented to achieve the goals of the Group.

Functions of the Board

The principal function of the Board is to consider and approve the strategies, financial objectives, annual budget, investment proposals of the Group and to assume the responsibilities of corporate governance of the Group.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

主席及行政總裁

根據企業管治守則第A.2.1條守則規定，主席黃勝舜先生及行政總裁（「行政總裁」）吳意誠先生的職責須作區分，藉以確保主席與行政總裁的責任明確劃分。此舉亦有助平衡董事會與本集團管理層之間的權力，確保彼等的獨立性及公信度。

主席確保全體董事均適當獲悉董事會會議上提呈的事項以專注於本集團的業務及策略性事務。主席亦確保董事會有效地運作。此外，主席將引領董事會為本集團建立良好的企業管治常規及程序。

行政總裁負責確保本集團獲董事會通過的策略及政策有效執行，達致本集團的目標。

董事會的職責

董事會的主要職責為省覽及批准本集團的策略、財政目標、年度預算及投資建議，以及履行本集團企業管治的責任。

董事會將推行本集團業務的日常運作、業務策略及管理的權力及責任委派予執行董事、高級管理層，並將若干特定責任指派予董事委員會。

Corporate Governance Report

企業管治報告

When the Board delegates aspects of its management and administration functions to the management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances. While allowing management substantial autonomy to run and develop the business, the Board plays a key role in structuring and monitoring the reporting systems and internal controls. The Board designates the composition, functions and role of each Board committee. The final management decision rests with the Board unless otherwise provide for in the terms of reference of relevant Board committees.

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, there are three independent non-executive Directors representing one-third of the Board. Among the three independent non-executive Directors, one has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmation, considers Mr. Chuang Hong-Jen, Mr. Yeung Chi Tat and Mr. Hsieh Yu are independent.

Directors' Appointment, Re-election and Removal

Each of executive Directors has entered into a service contract with the Company for a period of three years commencing from 16 May 2007, subject to a termination by the Company giving not less than 3 months' prior written notice.

當董事會將管理及行政功能方面的權力委派予管理層時，已同時就有關管理層的權力，特別是在何種情況下給予清晰的指引。雖然管理層允許在充分自治的前提下經營及發展業務，但董事會在構建及監察申報制度及內部監控方面仍扮演著重要角色。董事會指派各董事委員會的組成、功能及職責。除相關董事委員會的職權範圍另有規定者外，董事會仍保留最終管理決策權。

獨立非執行董事

根據上市規則第3.10(1)條，三名獨立非執行董事代表董事會的三分之一。三名獨立非執行董事中，其中一名擁有上市規則第3.10(2)條所規定的會計或相關財務管理專業知識的適當專業資格。

本公司已收到每名獨立非執行董事按照上市規則第3.13條發出有關其獨立性的確認書。基於該等確認書，本公司認為莊宏仁先生、楊志達先生及謝裕先生為獨立人士。

董事的委任、重選及罷免

每名執行董事已與本公司訂立服務合約，自二零零七年五月十六日起計為期三年，可由本公司給予不少於三個月的事先書面通知而終止合約。

Corporate Governance Report

企業管治報告

Each of independent non-executive Directors has entered into a formal appointment letter with the Company for a term of one year expiring on 16 May 2008, subject to a termination by either party giving to other not less than one month's prior written notice.

In accordance with the Company's articles of association, all Directors (including executive Directors and independent non-executive Directors) are subject to retirement by rotation at least once every three years.

Board meetings and Board Practices

The Board has scheduled to meet at least four times a year, and the Board will also meet on other occasions when a board-level decision on a particular matter is required.

The company secretary of the Company (the "Company Secretary") assists the Chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda. Generally, at least 14 days notice is given for the regular meeting by the Company. The Directors will receive details of agenda items for decision at least 3 days before each Board meeting.

The Company Secretary is responsible for distributing detailed documents to Directors prior to the meetings of the Board to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings so that they may receive accurate, timely and clear information.

All Directors may access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board opinions on matters in relation to the compliance with the procedures of the Board meetings.

每名獨立非執行董事已與本公司訂立正式委任書，為期一年，於二零零八年五月十六日到期，可由任何一方給予另一方不少於一個月的事先書面通知而終止。

根據本公司的公司章程，所有董事(包括執行董事及獨立非執行董事)須每三年至少輪選退任一次。

董事會會議及董事會常規

董事會每年預定召開至少四次會議，董事會亦將於需要就特別事項作出董事會決議時召開會議。

本公司的公司秘書(「公司秘書」)協助主席編製會議議程，各董事均可要求將任何事項列入議程。一般而言，本公司舉行定期會議前需要發出至少十四天的通知。董事將於每次董事會會議舉行前至少三天，接獲商討的詳細議程項目。

公司秘書負責於董事會會議前分派詳細文件予董事，以確保董事能夠就會議上討論的事項作出知情決定，以便彼等可獲得準確、即時及清晰的資料。

所有董事可獲得公司秘書的建議及服務，而公司秘書會定期為董事會更新有關管治及監管的事項。公司秘書亦負責確保董事會會議依程序進行，並向董事會提供有關遵守董事會會議程序的意見。

Corporate Governance Report

企業管治報告

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board, the Company will not deal with the matter by way of written resolution or by a Board committee (except if that Board committee was specifically established for such purpose). The independent non-executive Directors who and whose associates have no material interest in the matter will attend the meeting to deal with the matter if it is considered appropriate. Other than the exceptions allowed under the Listing Rules, any Director who or whose associates have any material interest in any proposed Board resolutions will not be counted as a quorum in the relevant Board meeting nor vote for the Board resolutions.

All the Board committees adopted the same principles and procedures used in the Board meetings.

The Board held three meetings during the year ended 31 July 2007 and the attendance records of the Board meetings held are set out below:

倘若主要股東或董事在董事會將予考慮的事項中存在利益衝突，本公司將不會透過書面決議案或經由董事委員會(特別為此目的而組建的董事委員會除外)處理該事項。倘認為適當，於該事項中並無重大權益的獨立非執行董事及其聯繫人將出席處理該事項的會議。除上市規則准許的例外情況外，在所提呈的任何董事會決議案中擁有任何重大權益的任何董事或其聯繫人，均不得計入有關董事會會議的法定人數內，亦不得就有關董事會決議案投贊成票。

所有董事委員會均採納董事會會議中所採用的相同原則及程序。

董事會於截至二零零七年七月三十一日止年度內召開三次會議，該三次董事會會議的出席紀錄載列如下：

		Directors' Attendance
Executive Directors	執行董事	董事出席次數
Mr. Huang Sheng-Shun	黃勝舜先生	2/3
Mr. Wu Ih Chen	吳意誠先生	3/3
Mr. Huang Chi-Wei	黃琦偉先生	2/3
Mr. Lin Hung-Ming (appointed on 14 December 2006)	林宏明先生 (於二零零六年十二月十四日獲委任)	2/3
Mr. Wong Tak Leung	黃德良先生	2/3
Mr. Huang Te-Wei	黃德威先生	3/3
Independent Non-Executive Directors	獨立非執行董事	
Mr. Yeung Chi Tat (appointed on 16 May 2007)	楊志達先生 (於二零零七年五月十六日獲委任)	1/1
Mr. Chuang Hong-Jen (appointed on 16 May 2007)	莊宏仁先生 (於二零零七年五月十六日獲委任)	0/1
Mr. Hsieh Yu (appointed on 16 May 2007)	謝裕先生 (於二零零七年五月十六日獲委任)	1/1

Corporate Governance Report

企業管治報告

Access to Information

The management will provides the Board with appropriate and sufficient information through financial reports and such other information as may be requested by the Board from time to time, business and operational reports and budget statements in a timely manner to keep them informed the latest development of the Company.

The Directors also have the right to access to the Group's information and other matters either from the Company Secretary or the CEO.

Continuing Professional Development

The Company will arrange for training courses to each of the executive Directors to enhance their skills and to keep with the updated developments in applicable legal and regulatory requirements which are relevant to their responsibilities as directors of a publicly listed company. Any Director may request the Company to provide independent professional advice at the expense of the Company to discharge his duties to the Company.

Introduction kit will be given to newly appointed Directors in order to have better understanding of the operation of business of the Company. The Company is continually to update the latest development of the Listing Rules and other applicable statutory requirement to ensure the compliance of relevant rules and regulations.

Directors' and Officers' Liabilities Insurance

The Company has arranged Directors' and officers' liabilities insurance for the Directors and the senior management of the Company since listing of its shares on the Main Board of the Stock Exchange. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

資料提供

管理層將透過財務報告及任何其他董事會不時要求的資料、業務及經營報告及預算報表及時能向董事會提供適當及充分的資料，以使彼等知悉本公司的最新發展。

董事亦有權從公司秘書或行政總裁處獲取本集團資料及得悉其他事項。

持續的專業發展

本公司將安排每名執行董事參加培訓課程以提高其技能，讓彼等緊貼與作為公開上市公司董事所承擔責任及相關的適用法律及監管規定的最新發展。任何董事均可要求本公司提供獨立專業建議以助其履行職責，並由本公司承擔開支。

新委任董事將獲發簡介方案，讓彼等對本公司的業務運作有更深入了解。本公司會不斷更新上市規則的最新發展及其他適用的法定要求，以確保遵守相關規則及法規。

董事及高級職員的責任保險

本公司自其股份於聯交所主板上市起，已為本公司的董事及高級管理層安排董事及高級職員的責任險。該等保險為企業活動上所產生的成本、費用、開支及責任提供保障。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established the following committees to oversee specified aspects of the Company's affairs as defined in their own terms of reference. Details of which are set out herein below:—

Audit Committee

Composition

The Audit Committee was established on 16 May 2007 and comprises three members, all are independent non-executive Directors, namely Mr. Yeung Chi Tat (Chairman), Mr. Chuang Hong-Jen and Mr. Hsieh Yu.

Role and Function

The Audit Committee acts as an important link between the Board and the Company's auditors in matters within the scope of the Group's audit. According to the code provision C.3.4 of the CG Code, the terms of reference of Audit Committee which is available on the Company's website and upon request. The major duties of the Audit Committee are:

- (a) to assist the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;

董事委員會

董事會已成立以下委員會，負責監察本公司特定方面的事務(已於彼等本身的職權範圍內界定)。委員會的詳情載列如下：—

審核委員會

組成

審核委員會於二零零七年五月十六日成立，由三名成員組成，彼等均為獨立非執行董事，即楊志達先生(主席)、莊宏仁先生及謝裕先生。

職責及功能

在本集團審計範圍內涉及的事宜當中，審核委員會擔當著董事會與本公司核數師之間的重要橋樑。根據企業管治守則第C.3.4條守則規定，審核委員會的職權範圍載於本公司網頁及按要求而公開。審核委員會的主要職責為：

- (a) 協助董事會委任、重選及罷免外聘核數師及批准外聘核數師的薪酬及聘任條款；
- (b) 根據適用的標準審核及監察外聘核數師的獨立性、客觀性及審核程序的有效性；
- (c) 制定及執行有關委任外聘核數師的政策以提供非審計服務；

Corporate Governance Report

企業管治報告

- | | |
|---|--|
| <p>(d) to monitor integrity of the financial statements of the Company and the Company's annual report and accounts, half-year report and, to review significant financial reporting judgments contained in them. In this regard, in reviewing the Company's annual reports and accounts, half-year report before submission to the Board, the Audit Committee should focus particularly on:</p> <p>(i) any changes in accounting policies and practices;</p> <p>(ii) major judgemental areas;</p> <p>(iii) significant adjustments resulting from audit;</p> <p>(iv) going concern assumptions and any qualifications;</p> <p>(v) compliance with accounting standards; and</p> <p>(vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting;</p> <p>(e) to review the Company's financial controls, internal control and risk management systems; and</p> <p>(f) to review the Group's financial and accounting policies and practices, etc.</p> | <p>(d) 監察本公司財務報表以及本公司年報、賬目及半年度報告的完整性，並審議此等資料中申報的重大財務意見。就此而言，在遞交予董事會前審核本公司年報、賬目及半年度報告之時，審核委員會應特別注重：</p> <p>(i) 會計政策及常規的任何變動；</p> <p>(ii) 主要的判斷領域；</p> <p>(iii) 審核引起的重大調整；</p> <p>(iv) 持續經營的假設及任何保留意見；</p> <p>(v) 會計準則的遵行；及</p> <p>(vi) 上市規則及有關財務報告的其他法律規定的遵行；</p> <p>(e) 審議本公司的財務控制、內部監控及風險管理制度；及</p> <p>(f) 審議本集團的財務、會計政策及常規等。</p> |
|---|--|

Meeting Record

As the Audit Committee was established on 16 May 2007, there is no meeting has been held during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

會議記錄

由於審核委員會於二零零七年五月十六日成立，於二零零七年六月八日(上市日期)至二零零七年七月三十一日期間並未召開任何會議。

Corporate Governance Report

企業管治報告

Remuneration Committee

Composition

The Remuneration Committee was established on 16 May 2007 and comprises three members, all are independent non-executive Directors, namely Mr. Yeung Chi Tat (Chairman), Mr. Chuang Hong-Jen and Mr. Hsieh Yu.

Role and Function

According to the code provision B.1.4 of the CG Code, the written terms of reference of the Remuneration Committee is available on the Company's website and upon request. The major duties of the Remuneration Committee are:

- (a) to recommend to the Board the policy and structure for all remuneration of Directors and senior management;
- (b) to be responsible to determine the specific remuneration packages of all executive Directors and senior management;
- (c) to recommend for the Board's approval of the remuneration of the non-executive Directors;
- (d) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (f) to ensure that no Director or none of his associates is involved in deciding his own remuneration.

薪酬委員會

組成

薪酬委員會於二零零七年五月十六日成立，由三名成員組成，彼等均為獨立非執行董事，即楊志達先生(主席)、莊宏仁先生及謝裕先生。

職責及功能

根據企業管治守則第B.1.4條守則規定，薪酬委員會的書面職權範圍載於本公司網頁及按要求而公開。薪酬委員會的主要職責為：

- (a) 向董事會推薦有關董事及高級管理層的所有薪酬的政策及架構；
- (b) 負責釐定所有執行董事及高級管理層的特定薪酬組合；
- (c) 建議董事會批准非執行董事的薪酬；
- (d) 透過參照董事會不時議決的企業目標，審議及批准按表現釐定的薪酬；
- (e) 審議及批准因董事行為不當而遭解僱或罷免所涉及的賠償安排；及
- (f) 確保概無董事或其任何聯繫人自行釐定其本身的薪酬。

Corporate Governance Report

企業管治報告

Meeting Record

As the Remuneration Committee was established on 16 May 2007, there is no meeting has been held during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

Remuneration Policy for Directors and Senior Management

The remuneration for the executive directors comprises basic salary, bonus and pensions.

Salary adjustments are made where the Remuneration Committee takes into account performance of the individual, contribution, responsibilities, and reference to comparable listed companies in Hong Kong.

Apart from basic salary, executive directors and employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual's performance during the year.

In order to attract, retain and motivate talented eligible staff, including the Directors, the Company has adopted a Share Option Scheme. The scheme enables the eligible persons to obtain an ownership interest in the Company and thus will motivate them to optimize their continuing contributions to the Group.

Details of the amount of Directors' remuneration during the year ended 31 July 2007 are set out in note 8 to the financial statements and details of the Share Option Scheme and grant of options by the Company during the year are set out in Report of the Directors and note 28 to the financial statements.

會議記錄

由於薪酬委員會於二零零七年五月十六日成立，於二零零七年六月八日(上市日期)至二零零七年七月三十一日期間並未召開任何會議。

董事及高級管理層薪酬政策

執行董事的薪酬包括底薪、花紅及退休金。

薪酬委員會考慮個別人士工作表現、貢獻、職責及參考可資比較的香港上市公司。

除底薪外，執行董事及職員均合資格獲取酌情花紅，惟須根據市況、年內企業及個別人士表現等因素而定。

為吸引、留任及推動高質素合資格人員(包括董事)，本公司採納購股權計劃。根據該計劃，合資格人士可獲得本公司股權，藉以推動彼等繼續為本集團竭盡所能。

截至二零零七年七月三十一日止年度的董事酬金詳情載於財務報表附註8，而購股權計劃及本公司於年內所授出購股權詳情載於董事會報告及財務報表附註28。

Corporate Governance Report

企業管治報告

Nomination Committee

Composition

The Nomination Committee was established on 16 May 2007 and comprises three members, all are independent non-executive Directors, namely Mr. Yeung Chi Tat (Chairman), Mr. Chuang Hong-Jen and Mr. Hsieh Yu.

Role and Function

The written terms of reference of the Nomination Committee is available on the Company's website and upon request. The major duties of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and to make recommendation to the Board regarding any proposed changes;
- (b) to identify individuals suitably qualified to become Board members and to select or to make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive Directors; and
- (d) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and the succession planning for Directors in particular the Chairman and the CEO.

提名委員會

組成

提名委員會於二零零七年五月十六日成立，由三名成員組成，彼等均為獨立非執行董事，即楊志達先生(主席)、莊宏仁先生及謝裕先生。

職責及功能

提名委員會的書面職權範圍載於本公司網頁及按要求而公開。提名委員會的主要職責為：

- (a) 定期審議董事會的架構、規模及組成(包括技能、知識及經驗)，並就任何提議的變動向董事會提出建議；
- (b) 物色具備適當資格可擔任董事會成員的人士，並選擇或就選擇提名為董事的人士向董事會提出建議；
- (c) 評估獨立非執行董事的獨立性；及
- (d) 就有關委任或重選董事及董事(尤其是主席及行政總裁)繼任計劃的相關事項向董事會提出建議。

Corporate Governance Report

企業管治報告

Meeting Record

As the Nomination Committee was established on 16 May 2007, there is no meeting has been held during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

Compliance Committee

Composition

The Compliance Committee was established on 16 May 2007 with specific written terms of reference and comprises four members, by whom two are executive Directors, namely Mr. Huang Sheng-Shun and Mr. Huang Te-Wei, one is independent non-executive Director, namely Mr. Yeung Chi Tat (Chairman), and one is the qualified accountant and the Company Secretary, Mr. Leung Siu Hong.

Role and Function

The major duties of the Compliance committee are:

- (a) to hold meetings in each quarter to discuss, investigate and plan for the Group's legal and compliance matters;
- (b) to set up management mechanisms for legal and compliance guidance and training which entails the establishment of systems or mechanisms for the Compliance Committee to:
 - (i) review the Group's internal control manual periodically and any updates thereof and provide recommendations on the same;
 - (ii) review and make recommendations on the legal and compliance procedures of the Group including those of the control department of the Company and the responsibilities of the company secretarial team of the Company;

會議記錄

由於提名委員會於二零零七年五月十六日成立，於二零零七年六月八日(上市日期)至二零零七年七月三十一日期間並未召開任何會議。

合規委員會

組成

合規委員會於二零零七年五月十六日成立，有特定的書面職權範圍，由四名成員組成，其中兩名為執行董事，即黃勝舜先生及黃德威先生，一名為獨立非執行董事楊志達先生(主席)，一名為合資格會計師兼公司秘書梁兆康先生。

職責及功能

合規委員會的主要職責為：

- (a) 於每個季度召開會議討論、調查及計劃本集團的法律及合規事宜；
- (b) 建立法律及合規指引及培訓的管理機制，包括為合規委員會設立制度或機制以：
 - (i) 定期審議本集團的內部監控手冊及其任何更新並就此等資料提出建議；
 - (ii) 審議及就本集團的法律及合規程序提出建議，包括本公司監控部門的法律及合規程序，以及本公司的公司秘書團隊的責任；

Corporate Governance Report

企業管治報告

- (iii) if there is any material issue of conflict of interest and upon the recommendation of the Board or its committee, consider the issue of conflict of interest and make recommendations as to whether the Group should proceed with a particular transaction and/or mechanisms or procedures to be implemented in order to properly deal with any conflict involved. In addition, if any employee of the Group encounters any issue in relation to any internal control, conflict of interest or compliance matters of the Group and cannot resolve the same with his/her immediate supervisor or the CEO, the employee would have the right to bring the matter to the compliance committee for consideration and determination on the action required (if any) to address the matter so raised;
- (c) to provide legal and compliance training, to update information in respect of the Group's overall and departmental legal and compliance environments, to improve employees' knowledge and awareness of laws and regulations and to promote employees' law-abiding spirit;
- (d) to observe and monitor important legal and compliance documents, approvals, certificates and contracts, especially in relation to rights or obligations for operations from time to time and compliance with statutory requirements, and to ensure the validity, accuracy and safety of the important legal and compliance documents, approvals, certificates and contracts; and
- (e) to review and monitor the compliance and control environment of the Group;
- (f) to review and assess the qualification and competence of any professional parties to be engaged or re-engaged by the Group and to recommend to the Board the approval of such engagement or re-engagement, etc.
- (iii) 倘若存在任何利益衝突的重大問題，經董事會或其委員會建議，考慮利益衝突問題並就本集團是否應進行個別交易及／或將予實施的機制或程序以適當處理任何相關衝突提出建議。此外，倘若本集團任何僱員遇到有關本集團任何內部監控、利益衝突或合規事項的任何問題且無法與其直屬上司或行政總裁解決有關問題，該僱員有權將該事項提呈合規委員會以考慮及釐定解決該事項所需的行動(倘有)；
- (c) 提供法律及合規培訓以更新有關本集團整體及部門法律及合規狀況的資料，提高僱員對法律法規的知識及認知，提升僱員的守法精神；
- (d) 不時遵守及監察法律及合規文件、批文、證書及合約，尤其是有關經營及遵守法定要求的權利或義務，確保重要的法律及合規文件、批文、證書及合約的有效性、準確性及安全性；及
- (e) 審議及監察本集團的合規及監控狀況；
- (f) 審議及評估本集團將聘任或重新聘任的任何專業人士的資格及能力，就批准此聘任或重新聘任向董事會提出建議等。

Corporate Governance Report

企業管治報告

Meeting Record

As the Compliance Committee was established on 16 May 2007, there is no meeting has been held during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

Executive Committee

Composition

An Executive Committee was established on 3 September 2007 with specific written terms of reference and comprise five members, by whom three are executive Directors, namely Mr. Huang Sheng-Shun (Chairman), Mr. Wu Ih Chen, Mr. Huang Te-Wei, Mr. Leung Siu Hong and Ms. Wu Pei Min.

Role and Function

The major duties of the committee are:

- (a) to set strategies, policies, plans and operational directions for the Group;
- (b) to manage the financial and business affairs of the Group;
- (c) to approve capital expenditures as agreed by the Board from time to time;
- (d) to liaise and consult with, advise and make recommendations to its subsidiaries and make such decisions with regard thereto as the executive committee shall in its absolute discretion think fit, and refer such matters as it thinks fit to the Board for consideration, approval and/or ratification if necessary; and
- (e) to make of inter-company loans and advances to the Group, etc.

會議記錄

由於合規委員會於二零零七年五月十六日成立，於二零零七年六月八日(上市日期)至二零零七年七月三十一日期間並未召開任何會議。

執行委員會

組成

執行委員會於二零零七年九月三日成立，有特定的書面職權範圍，由五名成員組成，其中三名為執行董事，即黃勝舜先生(主席)、吳意誠先生、黃德威先生、梁兆康先生及吳沛珉小姐。

職責及功能

委員會的主要職責為：

- (a) 制定本集團的策略、政策、計劃及經營方向；
- (b) 管理本集團的財務及業務事宜；
- (c) 審批董事會不時批准的資本開支；
- (d) 在執行委員會全權酌情認為合適的情況下與附屬公司商議、諮詢、提出意見及建議，以及作出有關決定，並於必要時在其認為合適的情況下向董事會提出有關事宜以作考慮、批准及／或追認；及
- (e) 向本集團提供公司間貸款及墊款等。

Corporate Governance Report

企業管治報告

Meeting Record

As the Executive Committee was established on 3 September 2007, there is no meeting has been held during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

會議記錄

由於執行委員會於二零零七年九月三日成立，故執行委員會於二零零七年六月八日（上市日期）至二零零七年七月三十一日期間並未召開任何會議。

ACCOUNTABILITY AND AUDIT

Directors' and Auditors' Acknowledgement

The Audit Committee and the Board have reviewed the Company's financial statements for the year ended 31 July 2007. The Directors acknowledge their responsibility for preparing the financial statements and presenting a balanced, clear and comprehensive assessment for the Company's performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Messrs. KPMG and SHINEWING (HK) CPA Limited acknowledge their reporting responsibilities in the auditors' report on the financial statements for the year ended 31 July 2007.

Auditors' Remuneration

Messrs. KPMG and SHINEWING (HK) CPA Limited were appointed as the Company's external joint auditors until the conclusion of next annual general meeting.

公信度及審計

董事及核數師的承擔

審核委員會及董事會已審議本公司截至二零零七年七月三十一日止年度的財務報表。董事知悉彼等有責任編製財務報表及就本公司表現、狀況及前景提呈均衡、清晰及全面的評估。董事並不知悉可能令本公司持續經營能力備受嚴重質疑的事件或情況涉及任何重大不明朗因素。

畢馬威會計師事務所及信永中和(香港)會計師事務所有限公司知悉彼等在截至二零零七年七月三十一日止年度財務報表的核數師報告中的報告責任。

核數師薪酬

畢馬威會計師事務所及信永中和(香港)會計師事務所有限公司獲委任為本公司的外聘聯席核數師，直至下一屆股東週年大會結束。

Corporate Governance Report

企業管治報告

During the year ended 31 July 2007, the remuneration paid/payable to the joint auditors, KPMG and SHINEWING (HK) CPA Limited in respect of their audit and non-audit services was as follows:

於截至二零零七年七月三十一日止年度內，就聯席核數師畢馬威會計師事務所及信永中和(香港)會計師事務所有限公司的審計及非審計服務而已付／應付予彼等的薪酬載列如下：

Type of Services 服務類別		2007
		HK\$'000
		千港元
Audit services	審計服務	2,000
Non-audit services	非審計服務	
Taxation advisory services	稅務顧問服務	6
Other advisory services	其他顧問服務	415
Total:		2,421
總計：		2,421

INTERNAL CONTROL

The Board is responsible for the effectiveness of the Group's internal control systems. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss.

Procedures have been set up for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. Qualified management throughout the Group maintains and monitors the internal control systems on an ongoing basis.

內部監控

董事會負責本集團內部監控系統的有效性。內部監控系統旨在滿足本集團的特定需要及應付其面臨的風險，但因其性質所限，對於錯誤陳述或失誤僅能提供合理而非絕對的保障。

系統內已建立程序保護資產免遭擅自使用或處置、控制資本支出、維持適當的會計記錄及確保用於業務及公佈的財務資料的可靠性。本集團的合資格管理層會持續維護及監控內部監控系統。

Corporate Governance Report

企業管治報告

The Company have engaged SHINEWING Risk Services Limited to conduct an annual review of the effectiveness of the internal control systems of the Group, covering all material controls, including financial, operation, compliance controls, etc. for the year. SHINEWING Risk Services Limited has confirmed in its assessment report that the internal control systems of the Group operate satisfactory and there is no material discrepancies which has to be brought to the attention of the Board or the shareholders.

After due and careful inquiries, the audit committee of the Company also concurs with the view of SHINEWING Risk Services Limited.

The Board continued to renew the appointment of SHINEWING Risk Services Limited performing an annual assessment of the effectiveness of the internal control systems of the Group for the year ended 31 July 2008.

To further strengthen the internal controls of the Group, the Company has established the control department to provide day-to-day management of the compliance and control of the Group and to work closely with the Board on control and compliance matters. The control department is currently headed by Mr. Huang Te-Wei, the executive Director and it reports directly to the Board.

The primary responsibilities of the control department include conduct meeting regularly and work closely with SHINEWING Risk Services Limited to monitor the internal control system within the Group. In addition, they will carry out assessment in relation to the establishment of new company or entity and new product of the Company. To enhance the knowledge of relevant staff of the Group, training will be provided to them in the matter of relevant rules and applicable laws as when appropriate.

The Board is satisfied that the Group have complied with the code provision on internal control as set out in the Listing Rules.

本公司已聘任信永方略風險管理有限公司對年內本集團的內部監控系統的有效性進行年度審議，當中涵蓋所有重大監控，包括財務、經營及合規監控等。信永方略風險管理有限公司已在其評審報告中確認，對於本集團的內部監控系統運作表示滿意，且並無任何重大偏差有需要引起董事會或股東的關注。

經仔細及審慎質詢後，本公司的審核委員會與信永方略風險管理有限公司的意見一致。

董事會繼續聘任信永方略風險管理有限公司，為本集團的內部監控系統在截至二零零八年七月三十一日止年度是否有效運作而進行年度評審。

為了進一步加強本集團的內部監控系統，本公司已成立監控部門負責本集團合規及監控事宜的日常管理，並就監控及合規事宜與董事會緊密合作。監控部門現時由執行董事黃德威先生領導，直接向董事會匯報。

監控部門的主要責任包括定期召開會議，並與信永方略風險管理有限公司密切合作以監察本集團的內部監控系統。此外，監控部門亦就成立新公司或實體及推出本公司新產品進行評估。為了增進本集團相關員工的知識，適當時將為彼等提供內容涉及相關規則及適用法律的培訓。

董事會滿意本集團一直遵守載於上市規則的內部監控守則條文。

Corporate Governance Report

企業管治報告

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognizes the importance of maintaining clear, timely and effective communication with shareholders of the Company and investors. The Board also recognizes that effective communication with investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining high degree of transparency to ensure the investors and the shareholders are receiving accurate, clear, comprehensive and timely information of the Group via the publication of annual reports, interim reports, press announcements, and also the Company's website at www.tayang.com.

The Board continues to maintain regular dialogue with institutional investors and analysts to keep them informed the Group's strategy, operations, management and plans.

The Directors and the committee members are available to answer the questions through the annual general meeting. External auditors are also available at the annual general meeting to address shareholders' queries. Separate resolutions are proposed at general meeting on each substantially separate issue.

Shareholders' Right

The poll voting procedures and right of the shareholders to demand a poll vote are included in all of the Company's circulars convening general meetings. The chairman of the general meeting explains the procedures for demanding and conducting a poll before putting a resolution to vote on a show of hands and reveals how many proxies for and against have been filed in respect of each resolution. The results of the voting by poll are declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

Shareholders may put forward their proposals or inquiries to the Board by sending their written request to the Company's correspondence address in Hong Kong.

投資者及股東關係

董事會深知與本公司股東及投資者維持清晰、及時及有效溝通的重要性。董事會亦深知與投資者保持有效溝通乃建立投資者信心及吸引新投資者的關鍵。因此，本集團致力維持高透明度以確保投資者及股東透過年報、中期報告、報章公佈及本公司的網站 www.tayang.com 獲取準確、清晰、全面及即時的本集團資料。

董事會繼續維持與機構投資者及分析師的定期溝通，讓彼等知悉本集團的策略、經營、管理及計劃。

董事及委員會成員可透過股東週年大會回答問題。外聘核數師亦會在股東週年大會上回答股東的提問。在股東大會上，每項重大的個別事務均會提呈獨立決議案以供表決。

股東的權利

投票程序及股東要求投票的權利載於本公司所有召開股東大會的通函中。股東大會主席會於舉手表決一項決議案之前解釋要求及進行投票的程序，並公佈有關每項決議案的贊成及反對票數。投票的結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。

股東可將書面要求發送至本公司在香港的通信地址，藉此向董事會提交其建議或質詢。

Corporate Governance Report

企業管治報告

Significant changes in Articles of Association

Save for the articles of association adopted by the Company on 16 May 2007, there is no significant changes to the Company's articles of association during the period from 8 June 2007 (the Listing Date) to 31 July 2007.

Shareholdings Information

As at 31 July 2007

Authorised Capital : HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.1 each.

Issued and fully-paid up capital : HK\$80,000,000 divided into 800,000,000 shares of HK\$0.1 each.

The following table summarized the existing shareholding's structure of the Company as at 31 July 2007:-

Category	類別	No. of Shares 股份數目	% of issued capital of the Company 佔本公司已發行股本的百分比
Controlling shareholders and Directors	控股股東及董事	557,835,000	69.73%
Strategic investors (Note 1)	策略投資者 (附註1)	24,180,000	3.02%
Public (Note 2)	公眾 (附註2)	217,985,000	27.25%
Total	總計	800,000,000	100%

Note:

- (1) Strategic investors represented Mitsubishi and Shin-Etsu, which held 12,180,000 and 12,000,000 shares respectively.
- (2) 18,900,000 shares out of 217,985,000 shares are held by certain employees of the Group.

組織章程的重大變動

除本公司於二零零七年五月十六日採納的組織章程外，於二零零七年六月八日(上市日期)至二零零七年七月三十一日期間，本公司的組織章程並無任何重大變動。

持股資料

於二零零七年七月三十一日

法定股本 : 2,000,000,000港元，分為20,000,000,000股每股0.1港元的股份。

已發行及繳足股本 : 80,000,000港元，分為800,000,000股每股0.1港元的股份。

下表概列本公司於二零零七年七月三十一日的現有股東持股架構：—

- 附註：
- (1) 策略投資者指分別持有12,180,000股及12,000,000股股份的三菱及信越。
- (2) 217,985,000股股份中的18,900,000股股份由本集團若干僱員持有。