

企業管治報告

Corporate Governance Report

本公司堅信，良好穩固的企業管治架構是確保其成功增長和提升股東價值的重要基礎。本公司致力達致和保持高水平的企業管治，所採納的企業管治原則，強調優質的董事會、向所有利益群體負責、開放溝通和公平披露。

企業管治常規守則

二零零五年四月八日，本公司採納「企業管治常規手冊」(以下簡稱「企業管治手冊」)，其內容差不多包括香港聯合交易所有限公司證券上市規則(以下簡稱「上市規則」)附錄14所載「企業管治常規守則」(以下簡稱「企業管治守則」)所有守則條文，包括守則條文的實施細則以及若干適用的建議最佳常規。企業管治手冊在本集團的網站可供下載，亦可向公司秘書索取。

截至二零零六年十二月三十一日止年度內，除以下簡述偏離守則條文第A.4.1條及第E.1.2條事項外，本公司已遵守企業管治守則內的所有守則條文。本公司在企業管治實行上若干方面已超越上市規則及企業管治守則的要求。

在本公司年報內刊載本企業管治報告，一方面為回應上市規則的要求；另一方面為向股東披露，本公司於報告年度內的企業管治常規及其發展，並邀請股東發表意見。

董事會

董事會代表股東管理本公司事務。董事認為，為股東創造增值以及本著審慎及忠誠行事，乃董事的責任。

提交董事會議決的主要事項包括：

1. 本集團營運策略方針；
2. 有關本公司主要業務及財政目標的政策制定；
3. 監督管理層的表現；
4. 批准本集團重大收購、投資、出售、資產處置或任何重大資本開支；
5. 確保實施審慎有效的內部監控系統；
6. 審議本公司財務表現與業績；及
7. 向本公司股東作出末期股息建議及宣派任何中期股息。

It is the firm belief of the Company that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholders' value. The Company is committed to attaining and maintaining high standards of corporate governance and adopts principles of corporate governance emphasising a quality board, accountability to all stakeholders, open communication and fair disclosure.

Code on Corporate Governance Practices

On 8 April 2005, the Company adopted the Corporate Governance Practice Manual ("CG Manual"). The CG Manual incorporates almost all the Code Provisions of the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and includes the implementation details for the Code Provisions and, where appropriate, the Recommended Best Practices. The CG Manual can be downloaded from our website and copies are available on request to the Company Secretary.

The Company has complied with all the Code Provisions in the CG Code throughout the year ended 31 December 2006, with deviations from Code Provisions A.4.1 and E.1.2 of the CG Code as summarised below. The Company has also exceeded the requirements under the Listing Rules and the CG Code in various areas of its corporate governance practices.

In addition to meeting the requirements of the Listing Rules, the inclusion of the Corporate Governance Report in this Annual Report is intended to keep our shareholders abreast of the corporate governance practices of the Company and their development throughout the reporting year and to invite our shareholders' views thereon.

The Board

The Board represents shareholders in managing the Company's affairs. The Directors recognise their responsibilities to enhance shareholder value and to conduct themselves in accordance with their duty of care and loyalty.

The major issues which are brought before the Board for their decisions include:

1. Direction of the operational strategies of the Group;
2. Setting the policies relating to key business and financial objectives of the Company;
3. Monitoring the performance of the management;
4. Approval of material acquisitions, investments, divestments, disposal of assets or any significant capital expenditure of the Group;
5. Ensuring a prudent and effective internal control system;
6. Review of the financial performance and results of the Company; and
7. Recommendation to shareholders of the Company on final dividend and the declaration of any interim dividends.

董事負責監督各財政週期賬目的編製，此等賬目應真實及公平地反映本集團於該期間的業務狀況、業績及現金流量。自二零零二年十一月起，本集團已經開始公佈季度財務概要及業務回顧，以便股東評估本集團的業務與表現。財務報表的編製與呈列方式，應有助於對本集團的財政狀況作出清晰均衡的評估。有關本集團各業務單位之財政狀況與前景的定期管理報告由執行委員會審議，以讓董事會在掌握實際情況之下對本公司的業務表現作出評估。

截至二零零六年十二月三十一日止財政年度，董事會成員變動如下：

- (1) 喬世波先生及閻驥先生於二零零六年三月十日調任為非執行董事。
- (2) 王群先生、劉百成先生及鄭文謙先生於二零零六年三月十日獲委任為副董事總經理。
- (3) 王帥廷先生於二零零六年三月十日獲委任為非執行董事。
- (4) 陳智思議員及蕭炯柱先生於二零零六年十一月三十日獲委任為獨立非執行董事。

於本報告日，董事會共有 17 名董事，其中包括主席、董事總經理、四名副董事總經理、五名非執行董事及六名獨立非執行董事。董事簡歷載於本年報第 44 至 47 頁及本公司網頁。董事會成員之間如有任何關係(包括財務、業務、家族或其他重大或相關的關係)均已披露。主席與董事總經理之間並無上述之關係。

遵照上市規則的規定，本公司已獲每一位獨立非執行董事發出確認書，確認其獨立於本公司。本公司認為，所有獨立非執行董事均為獨立於本公司的人士。

我們十分重視獨立非執行董事的經驗與意見，並以此作為集團業務方向的有效指引。本公司於二零零五年十一月委任鄭慕智先生為本公司第四名獨立非執行董事，已超出上市規則規定至少須委任三名獨立非執行董事的最低要求。二零零六年十一月，本公司進一步委任第五位及第六位獨立非執行董事，分別為陳智思議員

The Directors are responsible for the preparation of the accounts of each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. Since November 2002, to enable the shareholders to appraise the operations and performance of the Group, the Group has been releasing quarterly financial highlights and operating review. The financial statements are prepared and presented to enable a clear and balanced assessment of the financial position of the Group. Regular management reports on the financial position and prospects of each business unit of the Group are reviewed by the Executive Committee to enable the Board to make an informed assessment of the performance of the Company.

In the financial year ended 31 December 2006, there were the following changes to the membership of the Board:

- (1) Mr. Qiao Shibo and Mr. Yan Biao were re-designated as Non-Executive Directors on 10 March 2006.
- (2) Mr. Wang Qun, Mr. Lau Pak Shing and Mr. Kwong Man Him were appointed as Deputy Managing Directors on 10 March 2006.
- (3) Mr. Wang Shuaiting was appointed as Non-Executive Director on 10 March 2006.
- (4) The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon were appointed as Independent Non-Executive Directors on 30 November 2006.

As at the date of this Report, the Board comprises 17 Directors, including the Chairman, the Managing Director, four Deputy Managing Directors, five Non-Executive Directors and six Independent Non-Executive Directors. The biographical details of the Directors are set out on pages 44 to 47 of this Annual Report and can also be found on our website. The relationships (including financial, business, family or other material or relevant relationships) if any, among members of the Board are disclosed. There is no such relationship as between the Chairman and the Managing Director.

Pursuant to the requirements of the Listing Rules, the Company has received written confirmation from each of the Independent Non-Executive Directors confirming his independence from the Company, and considers all of the Independent Non-Executive Directors to be independent.

The experience and views of our Independent Non-Executive Directors are held in high regard and contribute to the effective direction of the Group. The Company exceeded the minimum requirements under the Listing Rules relating to the appointment of at least three Independent Non-Executive Directors with the appointment of its fourth Independent Non-Executive Director, Mr. Cheng Mo Chi, in November 2005 and the fifth and sixth Independent Non-Executive Directors, The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon,

和蕭炯柱先生。我們的獨立非執行董事之中，具備適當會計資格的有兩位，亦超過上市規則的規定。於委任陳智思議員和蕭炯柱先生之後，本公司已達致獨立非執行董事人數佔董事會成員總數至少三分之一的長遠目標。

本公司已為新任董事設計一套特為其入職而設的就任須知，亦為董事提供持續發展及信息，方便他們掌握本集團業務及營運的最新發展。

本公司不時對董事會的結構、人數及組成作出檢討，確保董事會廣納才俊，在各類技能和專業之間取得平衡，能配合本公司業務所需。董事的委任先交提名委員會考慮，再由提名委員會向全體董事會提交建議，以作決定。

所有董事（包括執行董事及非執行董事）均沒有固定任期。董事會認為，董事會的組成應具有充分的靈活性，方能配合本集團的需要，因此不宜指定董事任期。所有董事均須在緊隨其獲得委任後的股東周年大會上經本公司股東重選，並須最少每三年一次輪席退任。本公司組織章程細則規定，每年需有三分之一的董事（包括執行董事及非執行董事）退任。每年退任的董事，必須為董事會於年內委任的董事，以及自獲選或重選以來在任最長的董事。退任董事可重選連任。

主席及董事總經理的職位分別由宋林先生及陳樹林先生擔任。劃分主席及董事總經理的職務可確保主席管理董事會的責任與董事總經理管理本公司業務的責任得到清晰的區分。主席及董事總經理各自的職責已分別詳載在企業管治手冊中。

宋林先生由於另有公務，在二零零六年六月二日身在外地，因此未能出席本公司在當日舉行的股東周年大會。惟當天本公司的董事總經理以及審核委員會、薪酬委員會和提名委員會的主席或最少一位來自各委員會的成員均有出席，確保與本公司的股東保持有效的溝通。

董事會每年最少召開四次定期會議（大約每季召開一次），審議本集團的財務表現。除定期

both in November 2006. Two of our Independent Non-Executive Directors have appropriate accounting qualifications, which also exceeds the requirement of the Listing Rules. With the appointment of The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon, the Company has achieved its long term goal of maintaining the proportion of its Independent Non-Executive Directors to at least one third of the total members of the Board.

The Company has put in place a tailored induction programme for its newly appointed directors. Continuing development and information are provided to the Directors to keep them abreast of the latest developments involving the Group's businesses and operations.

The structure, size and composition of the Board are reviewed from time to time to ensure that the Board has a balanced composition of skills and expertise appropriate for the requirements of the businesses of the Company. Appointments are first considered by the Nomination Committee. The recommendations of the Nomination Committee are then put to the full Board for decision.

All Directors (including Executive and Non-Executive Directors) are not appointed for a fixed term. The Board does not believe in any arbitrary term of office and would like to retain sufficient flexibility to organise the composition of the Board to serve the needs of the Group. All Directors are subject to re-election by shareholders of the Company at the annual general meeting following their appointment and at least every three years on a rotation basis. The Articles of Association of the Company require that one-third of the Directors (including Executive and Non-Executive Directors) shall retire each year. The Directors who are required to retire each year shall be those appointed by the Board during the year and those who have been longest in office since their election or re-election. A retiring Director is eligible for re-election.

The positions of the Chairman and the Managing Director are held separately by Mr. Song Lin and Mr. Chen Shulin respectively. The segregation of duties of the Chairman and the Managing Director ensures a clear distinction in the Chairman's responsibility to manage the Board and the Managing Director's responsibility to manage the Company's business. The respective responsibilities of the Chairman and the Managing Director are more fully set out in the CG Manual.

Due to an overseas engagement, Mr. Song Lin was not in Hong Kong on 2 June 2006 and therefore could not attend the annual general meeting of the Company held on that day. The Managing Director and either the chairman or at least one member of the Audit Committee, Compensation Committee and Nomination Committee attended the annual general meeting to ensure effective communication with the shareholders of the Company.

The Board meets regularly and at least four times a year at approximately quarterly intervals to review the financial performance of the Group. Between

會議外，董事會也會召開其他會議，以商討及考慮重大議題（不論上市規則有否規定）及其他需要董事會作出決定的事宜。有關董事會的定期會議，董事均在14天前接獲書面的會議通知，及於會議日期前至少三天獲發送會議議程及相關會議文件。有關召開其他會議，亦視乎情況給予合理的通知期。此外，董事隨時可於其認為需要時索取有關本集團資料和獨立專業意見。

董事會於二零零六年共召開13次會議。董事於二零零六年出席董事會會議及主要委員會會議的詳情載於下表：

these regular meetings, the Board meets to discuss and consider major issues (whether or not required by the Listing Rules) and also on other occasions when board decisions are required. With respect to regular meetings of the Board, Directors receive at least 14 days prior written notice of the meeting and an agenda with supporting Board papers no less than three days prior to the meeting. With respect to other meetings called, Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

The Board met on 13 occasions during 2006. The attendance of the Directors at Board meetings and principal Board committee meetings held in 2006 is set out in the table below:

		董事會 Board		審核委員會 Audit Committee	薪酬委員會 Compensation Committee	執行委員會 Executive Committee	財務委員會 Finance Committee	提名委員會 Nomination Committee
		R	S					
非執行董事 Non-Executive Directors								
喬世波先生 ⁽¹⁾	Mr. Qiao Shibo ⁽¹⁾					1		
閻颺先生 ⁽¹⁾	Mr. Yan Biao ⁽¹⁾	2			1	1		
蔣偉先生	Mr. Jiang Wei	1	1			1		
王帥廷先生 ⁽²⁾	Mr. Wang Shuaiting ⁽²⁾	1				2		
謝勝喜先生	Mr. Xie Shengxi		1			1		
獨立非執行董事 Independent Non-Executive Directors								
陳普芬博士	Dr. Chan Po Fun, Peter	4	8	4	3			2
黃大寧先生	Mr. Houang Tai Ninh	4	7	4	3			2
李家祥博士	Dr. Li Ka Cheung, Eric	2	7	4	1			1
鄭慕智先生	Mr. Cheng Mo Chi	3	2	2				
陳智思議員 ⁽³⁾	The Hon. Bernard Charnwut Chan ⁽³⁾		1					
蕭炯柱先生 ⁽³⁾	Mr. Siu Kwing Chue, Gordon ⁽³⁾		1					
執行董事 Executive Directors								
宋林先生	Mr. Song Lin	2	1			1	19	
陳樹林先生	Mr. Chen Shulin	4	4		1	11	24	1
姜智宏先生	Mr. Keung Chi Wang, Ralph	4	8		2	10	24	1
王群先生 ⁽⁴⁾	Mr. Wang Qun ⁽⁴⁾	1	1			9	18	
劉百成先生 ⁽⁴⁾	Mr. Lau Pak Shing ⁽⁴⁾	3	3			9	18	
鄭文謙先生 ⁽⁴⁾	Mr. Kwong Man Him ⁽⁴⁾	4	8			11		1
二零零六年度的開會次數								
Total no. of meetings held in 2006 :		13	4	4	3	11	24⁽⁵⁾	2

附註：

Notes

R: 定期會議 Regular Meeting

S: 特別會議 Special Meeting

(1) 喬世波先生和閻颺先生於二零零六年三月十日調任為非執行董事。

Mr. Qiao Shibo and Mr. Yan Biao were re-designated as Non-Executive Directors on 10 March 2006.

(2) 王帥廷先生於二零零六年三月十日獲委任為非執行董事。

Mr. Wang Shuaiting was appointed as Non-Executive Director on 10 March 2006.

(3) 陳智思議員和蕭炯柱先生於二零零六年十一月三十日獲委任為獨立非執行董事。

The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon were appointed as Independent Non-Executive Directors on 30 November 2006.

(4) 王群先生、劉百成先生和鄭文謙先生於二零零六年三月十日獲委任為副董事總經理。

Mr. Wang Qun, Mr. Lau Pak Shing and Mr. Kwong Man Him were appointed as Deputy Managing Directors on 10 March 2006.

(5) 其中十八次財務委員會決議用書面決議形式通過。

There were 18 times where the resolutions were passed by the Finance Committee by way of written resolutions.

董事會授權

雖然董事會於任何時間均須肩負指引及監察本公司的責任，但亦可按如下方式將若干責任下放：

- (a) 委員會 — 董事會成立了不同性質的委員會司職本公司若干特定職能。主要的委員會包括執行委員會、財務委員會、審核委員會、提名委員會及薪酬委員會。列明執行委員會、審核委員會、提名委員會及薪酬委員會各自的職責、功能及組成的職權範圍均已詳載於企業管治手冊中，亦已上載本公司的網站，以供查閱；
- (b) 董事總經理 — 本公司業務的日常管理工作交由董事總經理處理，而董事總經理則須向董事會負責；及
- (c) 高層管理人員 — 若干涉及企業及營運管理的工作在董事會明確界定權責下交由本公司的高層管理人員負責。

提名委員會

於二零零六年十二月三十一日，提名委員會成員包括三名獨立非執行董事（即黃大寧先生（主席）、陳普芬博士及李家祥博士）及一位非執行董事（閻鵬先生）。提名委員會的職責包括檢討董事會的結構、人數及組成，並在完成檢討後作出建議，以及評估候選董事的資歷和是否適合任職。提名委員會的建議將提交董事會考慮及視乎情況予以採納。列明提名委員會職責及工作程序的職權範圍已上載於本公司網站，以供查閱。

截至二零零六年十二月三十一日止年度，提名委員會曾召開兩次會議。提名委員會的工作包括向董事會作出下列建議：

- 喬世波先生及閻鵬先生調任為非執行董事；
- 王群先生、劉百成先生及鄭文謙先生獲委任為副董事總經理；
- 王帥廷先生獲委任為非執行董事；
- 劉健成先生及朱丹先生獲委任為副總經理；
- 陳智忠議員獲委任為獨立非執行董事；及
- 蕭炯柱先生獲委任為獨立非執行董事。

Delegation by the Board

While the Board retains at all times full responsibility for guiding and monitoring the Company, certain responsibilities of the Board are delegated as follows:

- (a) Committees — various committees have been established by the Board to administer certain specified functions of the Company's affairs. The main committees include: the Executive Committee, the Finance Committee, the Audit Committee, the Nomination Committee and the Compensation Committee. The terms of reference of the Executive Committee, the Audit Committee, the Nomination Committee and the Compensation Committee which set out, among other things, the duties, functions and composition of these committees are set out in the CG Manual and available on the Company's website;
- (b) Managing Director — the day-to-day management of the Company's business is delegated to the Managing Director who is accountable to the Board; and
- (c) Senior Management — certain responsibilities of corporate and operating management are delegated to senior management of the Company within the parameters as specified by the Board.

Nomination Committee

As at 31 December 2006, the Nomination Committee comprised three Independent Non-Executive Directors, namely Mr. Houang Tai Ninh (chairman), Dr. Chan Po Fun, Peter and Dr. Li Ka Cheung, Eric, and one Non-Executive Director, Mr. Yan Biao. The duties of the Nomination Committee include reviewing the structure, size and composition of the Board and to make recommendation after such review and to assess the suitability and qualification of any proposed director candidate. The recommendations of the Nomination Committee are then put forward for consideration and adoption, where appropriate, by the Board. The terms of reference of the Nomination Committee which set out its duties and procedures are available on the Company's website.

During the year ended 31 December 2006, the Nomination Committee held two meetings. The work of the Nomination Committee included the following recommendations to the Board:

- the re-designation of Mr. Qiao Shibo and Mr. Yan Biao as Non-Executive Directors;
- the appointment of Mr. Wang Qun, Mr. Lau Pak Shing and Mr. Kwong Man Him as Deputy Managing Directors;
- the appointment of Mr. Wang Shuaiting as a Non-Executive Director;
- the appointment of Mr. Lau Kin Shing, Charles and Mr. Zhu Dan as vice presidents;
- the appointment of The Hon. Bernard Charnwut Chan as Independent Non-Executive Director; and
- the appointment of Mr. Siu Kwing Chue, Gordon as Independent Non-Executive Director.

薪酬委員會

於二零零六年十二月三十一日，薪酬委員會成員包括三名獨立非執行董事（即陳普芬博士（主席）、黃大寧先生及李家祥博士）及一位執行董事（姜智宏先生）。薪酬委員會的職責包括就本公司有關其董事及高層管理人員的薪酬政策及架構向董事會提供建議；就發展薪酬政策確立正規及具透明度的程序；以及為全體董事及高層管理人員釐訂薪酬方案。列明薪酬委員會職責及工作程序的職權範圍已上載於本公司網站，以供查閱。

董事及高層管理人員的薪酬，乃參照個人表現與職責、本集團業績、當時市況及可比公司的薪酬標準而釐定。董事及僱員亦分享根據集團與個人表現而作出的獎金安排。

於報告年度內，薪酬委員會曾召開兩次會議，及通過一次書面決議案通過下列事項：

- 批准二零零六年本公司董事和高層管理人員的薪酬方案；
- 審議及考慮應付董事（獨立非執行董事除外）袍金；
- 批准二零零六年本集團董事和高層管理人員的薪酬方案及酌定獎金。

審核委員會

於二零零六年十二月三十一日，審核委員會成員包括四名獨立非執行董事（即李家祥博士（主席）、陳普芬博士、黃大寧先生及鄭慕智先生），其中兩名成員擁有合適的專業資格或具備會計或財務管理方面的相關專長。該委員會並無成員身為本公司前任或現任核數師的職員。上市規則規定審核委員會的大多數成員必須為獨立人士，且其中一人必須具備合適的專業資格；本公司審核委員會的成員已超出上市規則的要求。審核委員會的現有職權範圍是以香港會計師公會發出的「審核委員會有效運作指引」作為藍本，並採納企業管治守則中的各項原則。

Compensation Committee

As at 31 December 2006, the Compensation Committee comprised three Independent Non-Executive Directors, namely Dr. Chan Po Fun, Peter (chairman), Mr. Houang Tai Ninh and Dr. Li Ka Cheung, Eric, and one Executive Director, Mr. Keung Chi Wang, Ralph. The duties of the Compensation Committee include making recommendations to the Board on the Company's policy and structure of remuneration of Directors and senior management, establishing a formal and transparent procedure for developing policy on remuneration and determining the specific remuneration packages for all directors and senior management. The terms of reference of the Compensation Committee which set out its duties and procedures are available on the Company's website.

The remuneration of the Directors and senior executives is determined with reference to the performance and responsibilities of the individual, the performance of the Group, prevailing market conditions and remuneration benchmarks from comparable companies. Directors and employees also participate in bonus arrangements based on the performance of the Group and the individual.

During the year under review, the Compensation Committee met two times and passed written resolutions once on matters including:

- approval of the remuneration packages for 2006 for Directors and senior executives of the Company;
- review and consideration of the fees payable to Directors (other than the Independent Non-Executive Directors) for 2006;
- approval of the remuneration packages for 2006 and discretionary bonuses for directors and senior management of the Group.

Audit Committee

As at 31 December 2006, the Audit Committee comprised four Independent Non-Executive Directors, namely, Dr. Li Ka Cheung, Eric (chairman), Dr. Chan Po Fun, Peter, Mr. Houang Tai Ninh and Mr. Cheng Mo Chi. Two of its members have appropriate professional qualifications or accounting or related financial management expertise. No member of this Committee is a member of the former or existing auditors of the Company. The membership of the Audit Committee has exceeded the Listing Rules requirement that the majority of its members must be independent and one of whom must have appropriate professional qualification. The existing terms of reference of the Audit Committee are modeled on "A Guide for Effective Audit Committee" issued by Hong Kong Institute of Certified Public Accountants and have also adopted the principles set out in the CG Code.

審核委員會的職責包括考慮委任、續任及撤換獨立核數師並向董事會提供建議；審閱本公司的財務資料；及監察本公司的財務申報系統和內部監控程序。於報告年度，審核委員會曾召開四次會議。二零零六年審核委員會工作包括審議下列各項：

- 獨立核數師就二零零五年審核工作給予審核委員會的報告；
- 二零零五年年報及年度業績公佈；
- 獨立核數師就二零零五年審核工作發出的內部監控備忘錄；
- 關連人士交易；
- 截至二零零六年三月三十一日止三個月季度業績及相關的業績公佈；
- 二零零六年中期報告及中期業績公佈；
- 截至二零零六年九月三十日止九個月季度業績及相關的業績公佈；及
- 內部審核活動季報。

於報告年度內，審核委員會共與獨立核數師召開三次沒有執行董事出席的會議。

審核委員會已考慮本公司核數師的表現及獨立性。審核委員會得出的結論是本公司核數師為本集團進行非審核服務無損其獨立性。於回顧年度，向本公司核數師支付的核數費約達港幣21,000,000元（二零零五年：約港幣16,200,000元），而就非審核服務所支付的費用則約達港幣600,000元（二零零五年：約港幣500,000元）。

董事證券交易標準守則

董事於二零零六年十二月三十一日持有本公司證券權益情況，在本年報第66頁至第72頁的董事會報告中披露。二零零五年四月八日，本公司編制了「道德與證券交易守則」（以下簡稱「道德守則」），將上市規則附錄十所載「上市發行人董事證券交易標準守則」（以下簡稱「標準守則」）包含其內。道德守則內的證券交易禁制及披露規定也適用於個別指定人士，包括本集團高級管理人員及可接觸本集團股價敏感資料的人士。道德守則條款的嚴格性，不亞於標準守則所要求的標準。經本公司查詢後，全體董事已確認截至二零零六年十二月三十一日止的年度內一直遵守標準守則中所列載的指定準則。

The duties of the Audit Committee include considering and making recommendation to the Board on the appointment, re-appointment and removal of external auditors, review of the Company's financial information and oversight of the Company's financial report system and internal control procedures. During the year under review, the Audit Committee met on four occasions. The work of the Audit Committee in 2006 included reviews of:

- the external auditors' report to the Audit Committee in respect of 2005 audit;
- the 2005 annual report and annual results announcement;
- the external auditors' internal control memorandum in respect of the 2005 audit;
- connected party transactions;
- the quarterly results for the three months ended 31 March 2006 and the related results announcement;
- the 2006 interim report and interim results announcement;
- the quarterly results for the nine months ended 30 September 2006 and the related results announcement; and
- the quarterly reports of internal audit activities.

During the reporting year, the Audit Committee met with the external auditors on three occasions without the presence of any Executive Directors.

The Audit Committee has considered the performance and independence of the external auditors of the Company. The Audit Committee concludes that the independence of the external auditors of the Company has not been compromised by non-audit services performed for the Group. During the year under review, audit fees paid and payable to the Company's external auditors amount to approximately HK\$21 million (2005: approximately HK\$16.2 million); fees related to non-audit services paid and payable amount to approximately HK\$0.6 million (2005: approximately HK\$0.5 million).

Model Code for Securities Transactions by Directors

The interests held by the Directors in the Company's securities as at 31 December 2006 are disclosed in the Directors' Report on pages 66 to 72 of this Annual Report. On 8 April 2005, the Company has adopted a Code of Ethics and Securities Transactions ("Code of Ethics") which incorporates the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules. The prohibitions on securities dealing and disclosure requirements in the Code of Ethics also apply to specified individuals who include the Group's senior management and persons who are privy to price sensitive information of the Group. The Code of Ethics is on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2006.

內部監控

董事會確認，建立及有效地執行內部監控制度，確保業務能夠暢順運作、保障本集團資產和股東權益、確保財務報表可靠，乃董事會的整體責任。

本集團採用之監控架構與美國 Committee of Sponsoring Organisations of the Treadway Commission 及香港會計師公會建議的監控架構一致，作為本集團的內部監控制度標準，以及集團公司的最佳常規。本集團的內部監控制度包含五個主要元素，即有效的監控環境、風險管理、通訊與信息系統、具有成本效益的監控程序及妥善的監察機制。

本集團要求各業務單位，最少每年一次對其業務風險及相關影響進行識別及評估。各業務單位的執行管理團隊，均需負責確保業務單位內每一項營運的執行與績效，均符合既定策略。同樣地，每一項營運的管理人員亦需對該項營運的執行與績效承擔責任。本集團已設計若干政策與程序，以保障公司資產、妥善存置會計記錄、以及確保所有交易均按管理層授權執行。有關財務業績及主要營運指標的每月管理報告，經由董事會執行委員會審閱。本集團與各業務單位執行管理團隊舉行定期會議，以審議實際業績的達標情形。

內審部負責對本集團的內部監控系統進行評估，形成不偏不倚的意見，向執行委員會及審核委員會匯報結果。內審部亦對本集團的內部監控進行持續的獨立檢討。

視乎個別業務單位的業務性質及風險情況而定，內部審核職能的工作範圍，涵蓋財務、營運及合規監控等所有重要監控，以及風險管理。

在監控活動中所發現的重要問題，最少每季一次向審核委員會匯報，由相關的業務單位採取糾正行動。通過本集團內審部及審核委員會的監察工作，董事會對本集團的內部監控制度進行定期審議。

Internal Control

The Board recognizes that it has the overall responsibility to establish and maintain a sound and effective internal control system to ensure the smooth running of the operations, safeguard the Group's assets and shareholder's interest as well as ensure the reliability of financial statements.

The Group adopts the control framework consistent with the frameworks recommended by the Committee of Sponsoring Organisations of the Treadway Commission in the United States and the Hong Kong Institute of Certified Public Accountants as the standards in establishing control systems and the best practice among our Group companies. The Group's internal control system includes five key elements, namely the existence of an effective control environment, risk management, communication and information system, cost effective control process and proper monitoring mechanism.

Every business unit is required to identify and assess the risks and impact on the respective business unit at least once every year. The executive management team of each business unit is accountable for the conduct and performance of each operation in the business unit within the agreed strategies and similarly the management of each operation is accountable for its conduct and performance. Policies and procedures are designed for safeguarding corporate assets, maintaining proper accounting records and ensuring transactions are executed in accordance with management authorisation. Monthly management reports on the financial results and key operation indicators are reviewed by the Executive Committee of the Board. Regular meetings are held with the executive management team of each business unit to review the actual performance against budget.

The Internal Audit Department is responsible for assessing the Group's internal control system, formulating an impartial opinion on the system, and reporting its findings to the Executive Committee and the Audit Committee. The Internal Audit Department conducts independent reviews on the Group's internal control on an on-going basis.

Depending on the nature of businesses and risk exposure of individual business units, the scope of work performed by the internal audit function covers all material controls including financial, operational and compliance controls and risk management functions.

Key control findings are reported to the Audit Committee at least once every quarter and the corrective actions are taken by the relevant business units. The Board conducts regular reviews of the Group's internal control system through monitoring the activities of the Group's Internal Audit Department and the Audit Committee.

根據對截至二零零六年十二月三十一日止年度的評估，董事會及審核委員會相信，內部監控制度能合理保證本集團的資產得到保障，亦沒有任何可能影響股東的重大關注事項存在。

投資者關係

本公司致力於採取開誠公佈的態度，定期與股東溝通，及向他們作出所需的資料披露。股東必須得到準確與公平的資料披露，方能對本集團的經營與表現作出判斷。

根據本公司上述的政策，有關公開披露資料的合理問題，均應獲得合理的回應。專責投資者關係職能的企業策劃及發展部，肩負回應這類股東及分析員的查詢之責任。

本公司的股東、投資者、現時及未來夥伴及交易方，也可以從本公司的網站獲得有關企業管治常規的資料。任何人士如需網站所載資料的印行本，可致函本公司的公司秘書索取。

承董事會命
董事總經理
陳樹林

香港，二零零七年四月四日

Based on the assessment for the year ended 31 December 2006, the Board and the Audit Committee believe that the system of internal controls provides reasonable assurance that the Group's assets are safeguarded and there is no significant area of concerns that may affect shareholders.

Investor Relations

The Company is committed to a policy of open and regular communication and fair disclosure of information to its shareholders. Accurate and fair disclosure is necessary for shareholders to form their own judgment on the operation and performance of the Group.

Based on this policy, legitimate questions arising from generally disclosed information deserve a reasonable reply. The Corporate Planning and Development Department is responsible for investor relationship functions and will respond to such shareholders' and analysts' enquiries.

The Company's website provides shareholders, investors, existing and prospective partners and counterparties with information on the Company's corporate governance practices. Copies of such information can be obtained from the Company Secretary upon written request.

For and on behalf of the Board
CHEN SHULIN
Managing Director

Hong Kong, 4 April 2007