

本集團一直致力維持一個優良可靠的企業管治架構，以就本集團管理方針和方向為本公司股東提供一個具透明度、公開和負責的架構。

本公司已採納自二零零五年一月起生效的企業管治常規守則（「該守則」）中必須執行的守則條文（「守則條文」）。為符合守則條文的強制規定，本公司已採納企業管治手則，當中載列董事職責、董事進行證券交易的標準守則、有關僱員進行證券交易的標準守則、審核、薪酬及提名委員會的功能及職權範圍、資料披露及與股東溝通等內容。本公司採納企業管治手則，已包含守則條文必須執行的條款。年內，本公司一直遵守該守則的所有強制規定。

### 成員

於本年報日期，董事會成員包括四名執行董事、三名非執行董事及四名獨立非執行董事，其中陸志昌先生擁有符合上市規則規定的合適專業會計經驗及知識。各董事的姓名及履歷載於本年報第26至29頁。

各獨立非執行董事已按照上市規則第3.13條規定的指引，確認彼等獨立於本公司，而本公司亦認為彼等屬獨立人士。各非執行董事（包括獨立非執行董事）的任期為三年，而根據本公司的公司細則，三分之一的董事須於每次股東週年大會輪流退任。董事會成員間的關係（包括財務、業務、家庭或其他重要／相關的關係）（如有）已於本年報披露。主席與首席執行官並無上述關係。

The Group is dedicated to maintaining a good credible framework of corporate governance with a view to being transparent, open and accountable to our shareholders.

The Company has adopted the mandatory provisions of the Code on Corporate Governance Practices (the “Code”) after it came into effect in January, 2005. In line with the mandatory provisions of the Code, the Company has adopted a Corporate Governance Manual, the contents of which include, among others, directors’ duties, model code for directors’ transaction in securities, model code for securities transaction by relevant employees, the functions and terms of reference of the Audit, Remuneration and Nomination Committees, disclosure of information and communication with shareholders. All the mandatory provisions under the Code have been adopted and reflected in the Corporate Governance Manual. During the year, the Company has complied with the mandatory provisions of the Code.

### COMPOSITION

As at the date of this annual report, the Board consists of four Executive Directors, three Non-executive Directors and four Independent Non-executive Directors, one of whom namely Mr. Luk Chi Cheong has the appropriate professional accounting experience and expertise as required under the Listing Rules. The names and biographical details of each Director are disclosed on pages 26 to 29 of this annual report.

Each Independent Non-executive Director has, pursuant to the guidelines set out in rule 3.13 of the Listing Rules, confirmed he is independent of the Company and the Company also considers that they are independent. The term of office of each Non-executive Director, including Independent Non-executive Director, is for a period of three years subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the Bye-laws of the Company. The relationship (including financial, business, family or other material/relevant relationship), if any, among members of the Board are disclosed in this annual report. There is no such relationship between the Chairman and the Chief Executive Officer.

# Corporate Governance Report

## 企業管治報告

### 職能

董事會負責管理本公司及制訂本公司的發展方針。本集團的策略、年度預算、重大收購及出售、重大資本投資、股息政策、董事及高級管理人員任免、薪酬政策及其他主要營運及財務事項均必須經過董事會審批。本集團的日常運作則由本公司管理人員負責。

董事會於二零零六年舉行四次定期會議。下表載列各董事的個別出席情況：

### FUNCTIONS

The Board is responsible both for how the Company is managed and the Company's direction. Approval of the Board is required for the strategy of the Group, yearly budget, major acquisition and disposal, major capital investment, dividend policy, appointment and retirement of Directors and senior management, remuneration policy and other major operational and financial matters. Day-to-day operations of the Group are the responsibility of the Company's management.

The Board has held four regular meetings during the year 2006. Details of individual attendance of Directors are set out in the table below:

	日期 Date	二零零六年 四月十一日 11/04/2006	二零零六年 八月二十二日 22/08/2006	二零零六年 十月二十三日 23/10/2006	二零零六年 十二月二十一日 21/12/2006
主席 Chairman	朱金坤 Zhu Jinkun				
<b>執行董事</b> Executive Directors					
朱金坤	Zhu Jinkun	✓	✓	✓	✓
王國平	Wang Guoping	✓	✓	✓	✓
王添根	Ong Thiam Kin, Ken	✓	✓	✓	✓
俞宇(附註1)	Yu Yu (Note 1)	✓	—	—	—
陳正宇(附註2)	Chen Cheng-yu, Peter (Note 2)	—	•	✓	✓
<b>非執行董事</b> Non-executive Directors					
蔣偉(附註3)	Jiang Wei (Note 3)	—	•	✓	•
劉燕杰(附註3)	Liu Yanjie (Note 3)	—	•	•	•
李福祚(附註3)	Li Fuzuo (Note 3)	—	✓	✓	•
<b>獨立非執行董事</b> Independent Non-executive Directors					
黃得勝	Wong Tak Shing	✓	✓	✓	✓
陸志昌	Luk Chi Cheong	✓	✓	✓	✓
高秉強	Ko Ping Keung	✓	✓	•	✓
楊崇和(附註4)	Yang Chonghe, Howard (Note 4)	—	•	✓	✓

備註(亦適用於下文各表)：

- ✓ = 出席
- = 缺席
- = 不適用

Remarks (also applicable to the tables set out below):

- ✓ = attended
- = didn't attend
- = N/A

附註：

1. 俞宇先生於二零零六年八月二十二日辭任執行董事。
2. 陳正宇先生於二零零六年八月二十二日獲委任為執行董事。
3. 蔣偉先生、劉燕杰先生及李福祚先生於二零零六年八月二十二日獲委任為非執行董事。
4. 楊崇和先生於二零零六年八月二十二日獲委任為獨立非執行董事。

### 主席及首席執行官

於本年報日期，董事會主席為朱金坤先生，而王國平先生為首席執行官。主席負責領導董事會，並與董事會共同制訂本公司的業務策略及長期目標，而首席執行官則負責執行董事會的決定，並負責本公司日常管理。

### 董事委員會

為加強董事會的職能以及提升其專業，董事會屬下設有三個委員會，分別為審核、薪酬及提名委員會，各自負責不同的職能。

### 審核委員會

審核委員會由三名獨立非執行董事組成，成員包括陸志昌先生、黃得勝先生及高秉強先生，主席為陸志昌先生。該委員會負責獨立客觀審閱本集團財務申報過程、內部監控與風險管理系統以及內部核數職務的效率，其職能大致可分為以下三大範疇：

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款以及處理任何有關外聘核數師辭任或辭退外聘核數師的事項；
- (b) 審閱本公司全年與中期報告財務報表及賬目；及
- (c) 檢討本公司的財務監控、內部監控與風險管理系統。

Notes:

1. Mr. Yu Yu resigned as an Executive Director on 22nd August, 2006.
2. Mr. Chen Cheng-yu, Peter was appointed as an Executive Director on 22nd August, 2006.
3. Mr. Jiang Wei, Mr. Liu Yanjie and Mr. Li Fuzuo were appointed as Non-executive Directors on 22nd August, 2006.
4. Mr. Yang Chonghe, Howard was appointed as an Independent Non-executive Director on 22nd August, 2006.

### CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

As at the date of this annual report, the Chairman of the Board is Mr. Zhu Jinkun while Mr. Wang Guoping is the Chief Executive Officer. The Chairman provides leadership to the Board and formulate, together with the Board, the business strategies and long-term objectives of the Company whilst the Chief Executive Officer carries out the decisions made by the Board and is in charge of the Company's day-to-day management.

### BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are three Committees namely, the Audit, Remuneration and Nomination Committees under the Board, with each performing different functions.

### Audit Committee

The Audit Committee comprises of three Independent Non-executive Directors namely Mr. Luk Chi Cheong, Mr. Wong Tak Shing and Mr. Ko Ping Keung, with Mr. Luk Chi Cheong as the Chairman. The Committee's role is to provide an independent and objective review of the effectiveness of the financial reporting process, internal control, risk management and internal audit of the Group. Its functions broadly fall into the following three main areas:

- (a) primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of external auditor, and to approve the remuneration and terms of engagement of external auditor and any matters related to the resignation or dismissal of external auditor;
- (b) review the financial statements of the Company's annual and half-year report and accounts; and
- (c) review the Company's financial controls, internal control and risk management systems.

# Corporate Governance Report

## 企業管治報告

以下為審核委員會於二零零六年及截至本年報日期的工作概要：

1. 審閱二零零五年的財務報表與業績公告以及二零零六年的半年度業績及全年業績，當中包括檢討本集團的財務及會計政策與常規；
2. 審閱本公司於二零零五年及二零零六年進行的持續關連交易；及
3. 審閱本公司內部審計部編製的內部審計報告及風險管理報告。

審核委員會於年內舉行兩次會議。下表載列各成員的個別出席情況：

Set out below is the summary of work done by the Audit Committee in year 2006 and up to the date of this annual report:

1. review of the financial statements and results announcement for year 2005, and those for the half-yearly results and yearly results for year 2006. These include the review of the Group's financial and accounting policies and practices;
2. review of the ongoing connected transactions of the Company conducted in year 2005 and year 2006; and
3. review of internal audit reports and risk management report prepared by the Company's Internal Audit Division.

The Audit Committee has held two meetings during the year. Details of individual attendance of its members are set out in the table below:

日期	Date	主席	成員	
		Chairman	Members	
		陸志昌	黃得勝	高秉強
		Luk Chi Cheong	Wong Tak Shing	Ko Ping Keung
二零零六年三月二十九日	29/03/2006	✓	✓	✓
二零零六年八月二十一日	21/08/2006	✓	✓	✓

### 薪酬委員會

薪酬委員會的主要職責為釐定及檢討執行董事及高級管理人員的薪酬及福利政策，包括但不限於花紅計劃、購股權計劃及其他長期獎勵計劃，以及各執行董事及高級管理人員的花紅分配及薪金調整。委員會成員包括黃得勝先生（主席）、陸志昌先生、高秉強先生、朱金坤先生及王添根先生。

以下為薪酬委員會於二零零六年的工作概要：

薪酬委員會就著本公司業績及現時薪金趨勢，檢討及批准本公司執行董事和高級管理人員的薪酬及花紅。

### Remuneration Committee

The role and main function of the Remuneration Committee is to determine and review the compensation and benefit policy of Executive Directors and senior management, including but not limited to bonus plan, share option scheme and other long term incentive plan, and bonus allocation and salary adjustment of each Executive Director and senior management. The members of the Committee are Mr. Wong Tak Shing (Chairman), Mr. Luk Chi Cheong, Mr. Ko Ping Keung, Mr. Zhu Jinkun and Mr. Ong Thiam Kin, Ken.

Set out below is the summary of work of the Remuneration Committee done in year 2006:

The committee reviewed and approved the remuneration and bonus of Executive Directors and senior management of the Company in relation to the performance of the Company and the prevailing salary trend.

# Corporate Governance Report

## 企業管治報告

薪酬委員會於年內舉行一次會議。下表載列各成員的個別出席情況：

The Remuneration Committee held one meeting during the year. Details of individual attendance of its members are set out in the table below:

日期	Date	主席	成員			
		Chairman	Members			
		黃得勝	陸志昌	高秉強	朱金坤	王添根
		Wong Tak Shing	Luk Chi Cheong	Ko Ping Keung	Zhu Jinkun	Ong Thiam Kin, Ken
二零零六年五月二十二日	22/05/2006	✓	✓	✓	✓	•

### 提名委員會

提名委員會主要負責檢討董事會架構及組成，並就推選個別提名人士出任董事向董事會提供推薦建議。委員會成員包括高秉強先生(主席)、黃得勝先生、陸志昌先生及朱金坤先生。

董事候選人的條件包括(i)必須擁有豐富的半導體或空調壓縮機業務，企業管理或相稱的專業經驗；及(ii)必須有能力有效促成本公司目標。任何委員會成員均可提名合適人選，交由提名委員會討論及審批，在經董事會考慮及認為合適後，批准該項提名。根據本公司的公司細則，獲選的董事須於下一屆股東大會或股東週年大會(如適用)由股東重新選舉。

於二零零六年，提名委員會建議董事會委任蔣偉先生、劉燕杰先生及李福祚先生為本公司非執行董事。該委員會建議董事會委任陳正宇先生為本公司執行董事，以及委任楊崇和博士為本公司獨立非執行董事，另建議董事會批准俞宇先生辭任執行董事。

### Nomination Committee

The role and main function of the Nomination Committee is to review the structure and composition of the Board, and to make recommendation to the Board on the selection of individual nominated for directorships. The members of the Committee are Mr. Ko Ping Keung (Chairman), Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Mr. Zhu Jinkun.

The selection criteria for Directors are the candidate(s) (i) must have substantial experience in either the semiconductor or air-conditioner compressor business, in corporate management, or in relevant profession and (ii) must be able to contribute effectively to the objectives of the Company. Any committee member may propose suitable candidates for directorship for discussion and approval by the Nomination Committee, after which the Board will consider and, if proper, approve such nomination. Directors thus selected is subject to re-election by shareholders of the Company in the next general meeting or next annual general meeting, as appropriate, according to the Bye-laws of the Company.

During the year 2006, the Committee recommended to the Board that Mr. JIANG Wei, Mr. LIU Yanjie, and Mr. LI Fuzuo to be appointed as Non-Executive Directors of the Company. The Committee recommended to the Board that Mr. CHEN Cheng-yu, Peter to be appointed as Executive Director of the Company and that Dr. YANG Chonghe, Howard to be appointed as Independent Non-Executive Director of the Company. The Committee also recommended to the Board to approve Mr. YU Yu's resignation as Executive Director.

# Corporate Governance Report

## 企業管治報告

提名委員會年內舉行一次會議。下表載列各成員的個別出席情況：

The Nomination Committee has held one meeting during the year. Details of individual attendance of its members are set out in the table below:

日期	Date	主席	成員			
		Chairman	Members			
		高秉強	黃得勝	陸志昌	朱金坤	
		Ko Ping Keung	Wong Tak Shing	Luk Chi Cheong	Zhu Jinkun	
二零零六年五月二十二日	22/05/2006	✓	✓	✓	✓	

### 內部監控

董事會整體負責維持有效的內部監控系統。

董事會透過審核委員會，對本集團內部監控系統的所有重大監控的效率進行年度檢討，包括財務監控、營運監控、合規監控及風險管理系統。

內部審核部協助審核委員會檢討現行內部監控系統的效率。內部審核部定期進行內部審核及其他相關的審計審核，並向審核委員會報告所得結果及提供內部監控的改良建議，以供審核委員會考慮。年內，內部審核部亦曾對本公司各業務單位進行主要風險管理系統檢討，並向董事會報告所得結果，以供董事會考慮，且作為日後進一步改進的基礎。

### INTERNAL CONTROLS

The Board has the overall responsibility of maintaining an effective internal control system.

The Board, through the Audit Committee, conducts annual review of the effectiveness of the Group's system of internal control covering all material controls, including financial control, operational control, compliance control and risk management system.

The Internal Audit Division assists the Audit Committee to review the effectiveness of such internal control system in operation. The Division regularly carries out internal audit and other related audit reviews and reports its findings and suggestions for improvement on better internal controls to the Audit Committee for their consideration. During the year, the Internal Audit Division has also conducted reviews of key risk management system with respect to each business unit of the Company. Its findings were reported to the Board for consideration and would form the basis for further improvement in the future.

# Corporate Governance Report

## 企業管治報告

### 董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）為本公司有關董事進行證券交易之行為守則。經向全體董事作出特定查詢後，本公司確認，全體董事均已遵守標準守則所規定的標準。

### 董事編撰財務報表的責任

董事承認編撰財務報表為彼等的責任。有關核數師於綜合財務報表申報責任之報告書載於第73至74頁的獨立核數師報告書。

### 核數師的薪酬

本集團於年內重新委任德勤•關黃陳方會計師行為獨立核數師。核數師獲支付的酬金包括：

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct in relation to Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.

### DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities in preparing the Financial Statements. The Statement by the Auditors about their reporting responsibilities on the Consolidated Financial Statements is set out in the Independent Auditor's Report on pages 73 to 74.

### AUDITORS' REMUNERATION

The Group re-appointed Deloitte Touche Tohmatsu as independent auditors during the year. The remuneration paid to the Auditors includes:

		二零零六年 2006 千港元 HK\$'000
服務提供	Services rendered	
審計服務	Audit services	2,690
非審計服務	Non-audit services	867
合計	Total	3,557