

## Corporate Governance Report

## 企業管治報告書

### CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the "Directors" or the "Board") and management of the Company (together with its subsidiaries, the "Group") are committed to principles of good corporate governance in safeguarding the interests of the shareholders and enhancing shareholders' value.

Throughout the year ended 31st December, 2009 (the "Year"), the Company has applied the principles of the Code on Corporate Governance Practices (the "Code") and complied with the code provisions (the "Code Provisions") and certain recommended best practices (the "Best Practices") set out in the Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:—

#### Deviations

##### *Chairman and Chief Executive Officer*

Mr. Joseph Lau, Luen-hung ("Mr. Joseph Lau") acts as both the Chairman (the "Chairman") and Chief Executive Officer (the "CEO") of the Company since December 2006. The Board considers that this structure will not impair the balance of power and authority of the Board. It currently comprises one Executive Director, two Non-executive Directors (the "NED(s)") and three Independent Non-executive Directors (the "INED(s)"), with INEDs representing 50% of the Board, which is higher than the Best Practices. Such a high percentage of INEDs in the Board could ensure their views carry significant weight and it reflects a strong independence element in the composition of the Board. At present, the Board also believes that under the leadership of Mr. Joseph Lau as the Chairman and the CEO, the Board's decision could be made effectively and it is beneficial to the management and development of the Group's businesses. The Board would still consider segregation of the roles of the Chairman and the CEO if and when appropriate.

##### *Chairman Attending Annual General Meeting*

Mr. Joseph Lau, the Chairman of the Board, could not attend the annual general meeting of the Company held on 27th May, 2009 ("2009 AGM") as he had to deal with an urgent matter. Mr. Chan, Kwok-wai, an INED as well as the chairman of Audit Committee and Remuneration Committee, was elected as the chairman of the 2009 AGM to ensure effective communication with shareholders of the Company at such meeting.

### 企業管治常規

本公司(連同其附屬公司,「本集團」)董事會(「董事」或「董事會」)及管理層堅守良好的企業管治守則,以保障股東權益及提升股東價值。

截至二零零九年十二月三十一日止年度(「本年度」)全年,本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四《企業管治常規守則》(「常規守則」)之原則及遵守常規守則之守則條文(「守則條文」)及若干建議最佳常規(「最佳常規」),惟以下偏離事項除外:—

#### 偏離事項

##### *主席及行政總裁*

劉鑾雄先生(「劉鑾雄先生」)自二零零六年十二月起同時出任本公司主席(「主席」)及行政總裁(「行政總裁」)之職。董事會認為此架構將不會損害董事會的權力及權限之平衡。董事會目前由一名執行董事、兩名非執行董事(「非執行董事」)及三名獨立非執行董事(「獨立非執行董事」)組成,獨立非執行董事人數佔董事會50%,較最佳常規所建議為高。獨立非執行董事佔董事會人數的大多數可確保彼等之意見具重大影響力,並反映董事會成員擁有相當之獨立元素。目前,董事會亦相信在劉鑾雄先生作為主席及行政總裁之領導下,董事會能有效地作出決策,對本集團之業務管理及發展均為有利。董事會仍會於適當時考慮將主席及行政總裁之角色分立。

##### *主席出席股東週年大會*

由於董事會主席劉鑾雄先生需要處理突發事務,故未能出席本公司於二零零九年五月二十七日舉行之股東週年大會(「2009股東週年大會」)。身兼審核委員會及薪酬委員會主席之獨立非執行董事陳國偉先生被選為2009股東週年大會主席,以確保於會上與本公司股東保持有效的溝通。

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### THE BOARD

#### Board Composition

Under Rule 3.10(1) of the Listing Rules, the board of directors of a listed company must include at least three independent non-executive directors. The Best Practices recommend that at least one-third of the directors should be independent non-executive directors.

The Company considers that it is important for the Board to maintain a balanced composition of Executive Director, NED and INED, so that there is a strong independent element on the Board which can effectively exercise independent judgement on the actions of the Company. The Board currently comprises one Executive Director, two NEDs and three INEDs, with INEDs representing 50% of the Board, which is higher than the Best Practices. Names of each member of the Board are set out in the table of "Attendance Records of Board Meetings".

The Directors' biographies and the relationship among the Board members, if any, are set out in the Profiles of Directors and Senior Executives of this annual report and available on the Company's website. Save as disclosed in the Profiles of Directors, there is no financial, business, family or other material/relevant relationship among the Directors.

#### Responsibilities of Directors

The NEDs and INEDs with diversified expertise, skills and experience play an important role on formulating strategy and ensuring that the Board maintains high standards of corporate governance as well as taking the lead where potential conflict of interests arise. The Board has received from each INED a written annual confirmation of his/her independence and satisfied that the independence of INEDs up to the date of this report is in accordance with the Listing Rules.

The Company encourages its Directors to possess up-to-date knowledge in order to discharge their duties. Information regarding the updating of Listing Rules had been provided to the Directors. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and consult with the Company's senior management or the Company Secretary independently.

### 董事會

#### 董事會之組成

根據上市規則第3.10(1)條的規定，上市公司之董事會必須包括最少三名獨立非執行董事。最佳常規建議最少三分之一的董事必須為獨立非執行董事。

本公司認為維持董事會內執行董事、非執行董事及獨立非執行董事組合之均衡比例實屬重要，以使董事會有充足之獨立元素，可對本公司之行動作出有效獨立判斷。董事會現由一名執行董事、兩名非執行董事及三名獨立非執行董事組成，而獨立非執行董事之人數佔董事會50%，較最佳常規所建議為高。董事會各成員之姓名載於「董事會會議出席記錄」附表。

董事之簡介及董事會成員之間的關係（如有）載於本年報「董事及高級行政人員簡介」內，並登載於本公司網站。除於董事簡介內所披露外，董事之間並無財務、業務、家族或其他重大／相關關係。

#### 董事之責任

擁有不同專門知識、技巧及經驗之非執行董事及獨立非執行董事在擬定策略及確保董事會維持高水平企業管治方面擔當重要角色，亦能於出現潛在利益衝突時起牽頭作用。董事會已接獲各獨立非執行董事確認彼等獨立性之年度確認書，並滿意截至本報告日期為止彼等之獨立性乃符合上市規則規定。

本公司鼓勵各董事時刻掌握最新知識以履行其職責。有關上市規則更新之資料已提供予各董事。董事可為履行職責而尋求獨立專業意見，費用由本公司支付，而本公司亦鼓勵董事獨立接觸並諮詢本公司之高級管理層成員或公司秘書。

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### THE BOARD (cont'd)

#### Retirement by Rotation and Specific Term of Office

The Company's Bye-laws provides that no Director (save for the executive chairman and any managing director) shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Directors' appointment or re-election, whichever is longer, without submitting himself/herself for re-election by the shareholders at the annual general meetings. Accordingly, Directors (save for the executive chairman and any managing director) shall retire by rotation at least once every three years and a specific term of office has been fixed for appointment of Directors (save for the executive chairman and any managing director).

However, according to the Private Act for incorporating the Company as an exempted company under the laws of Bermuda in 1989, it is stipulated that the executive chairman and any managing director should not be required to retire by rotation. In order to comply with the Code Provisions, the Chairman and CEO of the Company is willing to voluntarily retire from his directorship at future annual general meetings of the Company at least once every three years, and being eligible, will offer himself for re-election at the relevant annual general meetings.

Every Director will therefore retire either by rotation under the Company's Bye-laws or voluntarily at least once every three years and will subject himself/herself to the absolute and free choice of the shareholders for re-election at the annual general meetings.

#### Board Meetings

The Board meets regularly throughout the Year to discuss the overall strategy, the operational and financial performance of the Group. Four regular Board meetings were held on 16th March, 24th July, 7th September and 14th December for the Year respectively. Advance notices of not less than 14 days were served upon each Director. Individual attendance of each Director is indicated in the table of "Attendance Records of Board Meetings". All accompanying Board papers were sent to the Directors in a timely manner and at least 3 days before the Board meetings. Adequate explanation and information were given to the Directors by the management to facilitate the Directors in decision-making. Each Director has to declare interest and abstain from voting on any Board resolution in which he/she or any of his/her associates has a material interest in accordance with the Bye-laws of the Company.

### 董事會 (續)

#### 輪席告退及特定任期

本公司之公司細則規定董事(除執行主席及任何董事總經理外)不得在未於股東週年大會上獲得股東重選之情況下,持續出任董事職位超過三年,或於獲委任或重選連任後出任董事職位超逾三次股東週年大會,兩者以較長期間為準。據此,董事(除執行主席及任何董事總經理外)須最少每三年輪席告退一次,從而為董事(除執行主席及任何董事總經理外)制定了特定任期。

然而,根據百慕達法例於一九八九年註冊成立本公司為獲豁免公司的私人法案規定,執行主席及任何董事總經理均毋須輪席告退。為遵守守則條文,本公司之主席兼行政總裁願意最少每三年於本公司往後之股東週年大會上自願退任董事職位一次,惟符合資格並願意於相關股東週年大會上膺選連任。

因此,每名董事將會根據本公司之公司細則或自願最少每三年輪席告退一次,並將於股東週年大會上由股東全權自由決定其能否連任。

#### 董事會會議

董事會於本年度內定期開會商討本集團整體策略、營運及財務表現。本公司於本年度分別於三月十六日、七月二十四日、九月七日及十二月十四日舉行共四次定期董事會會議。舉行會議前已向各董事發出最少十四日之通告。各董事之個別出席記錄載於「董事會會議出席記錄」附表。所有相關會議文件均已於會議前至少三日及時送呈各董事。管理層向董事提交充足解釋及資料,以便董事作出決策。各董事須根據本公司之公司細則,於其或其任何聯繫人士擁有重大權益之任何董事會決議案,申報其權益並放棄投票。

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## THE BOARD (cont'd)

## 董事會 (續)

## Board Meetings (cont'd)

## 董事會會議 (續)

| Attendance Records of Board Meetings 董事會會議出席記錄                      |                    |  |
|---|--------------------|--|
| Name of Directors   | 董事姓名               | No. of meetings attended/held<br>(Percentage of attendance in total)<br>出席／舉行會議數目 (總出席率) |
| <b>Executive Director</b>   | <b>執行董事</b>        |  |
| Mr. Joseph Lau, Luen-hung<br>(Chairman and Chief Executive Officer) | 劉鑾雄先生<br>(主席兼行政總裁) | 4/4 (100%)   |
| <b>Non-executive Directors</b>                                      | <b>非執行董事</b>       |  |
| Mr. Lau, Ming-wai   | 劉鳴煒先生              | 4/4 (100%)   |
| Ms. Amy Lau, Yuk-wai  | 劉玉慧女士              | 4/4 (100%)   |
| <b>Independent Non-executive Directors</b>                          | <b>獨立非執行董事</b>     |  |
| Mr. Chan, Kwok-wai  | 陳國偉先生              | 4/4 (100%)   |
| Ms. Phillis Loh, Lai-ping   | 羅麗萍女士              | 4/4 (100%)   |
| Mr. Ma, Tsz-chun  | 馬時俊先生              | 4/4 (100%)   |

The agenda of each Board meeting is set by the Chairman in consultation with members of the Board such that they are given an opportunity to include agenda items. On an on-going basis, senior management provides the Directors with operational and financial reports of the Group's performance, position and prospects. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner. Draft and executed Board minutes were sent in good time to all Directors for their comment and records respectively. Minutes of the Board meetings recorded in sufficient details were kept by the Company Secretary.

## Board and Management Functions

The functions reserved to the Board are basically provided in the By-laws of the Company and the Board from time to time delegates certain functions to senior management whenever required. In short, the Board has reserved for its decision on matters relating to the Group's strategy, major acquisitions and disposals, major capital expenditure, annual and interim results, Directors' appointment and other significant financial and operational issues.

為給予董事會成員擬定董事會會議商討事項之機會，董事會會議之議程會於主席諮詢董事會成員後訂定。高級管理層持續就本集團之表現、狀況及展望向董事呈報營運及財務報告。本公司會及時向所有董事匯報並簡報任何會影響本集團業務之重大轉變及資料。董事會會議記錄之初稿及定稿已分別盡早送呈各董事，以供彼等提供意見及存檔。公司秘書負責保存載有詳盡細節之董事會會議記錄。

## 董事會及管理層職能

本公司之公司細則基本上已訂明董事會之職能，董事會會不時按需要將若干職能委以高級管理層。簡而言之，董事會在有關本集團策略、主要收購及出售、重大資本開支、年度及中期業績、委任董事及其他重大財務及營運事宜上保留決策權。

## Corporate Governance Report

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### THE BOARD (cont'd)

#### Board and Management Functions (cont'd)

On top of daily business operation, senior management is responsible for the preparation of annual and interim consolidated financial statements for the Board's approval, execution of business strategies and initiatives adopted by the Board, implementation of adequate system of internal control and sound risk management practices and is required to report to the Board and obtain its prior approval on important matters at all times. Notwithstanding the delegation, the Directors acknowledge that it is the responsibility of the Board for preparing the financial statements, which give a true and fair view of the financial results of the Group.

#### Directors' Insurance

The Company has arranged appropriate liability insurance to indemnify its Group's directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

### BOARD COMMITTEES

The Board has established Audit Committee and Remuneration Committee with clear written terms of reference which are of no less exacting terms than those set out in the Code. Details of the respective committee's terms of reference are available at the Company's website. All the INEDs of the Company are members of the Audit Committee and the Remuneration Committee which currently comprise Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun with Mr. Chan, Kwok-wai acts as chairman of both committees. Two members of the Audit Committee possess appropriate professional qualifications, accounting or related financial management expertise, which is higher than the Listing Rules' requirement.

#### Audit Committee

##### *Role and Function*

The Audit Committee was formed to review the Group's corporate governance, financial reporting, internal control and risk management. It plays an advisory role and makes relevant recommendations to the Board.

### 董事會 (續)

#### 董事會及管理層職能 (續)

除日常業務營運外，高級管理層亦負責編製年度及中期綜合財務報表供董事會批准、執行董事會採納之業務策略及措施、履行妥善之內部監控系統及穩健之風險管理程序，並在任何情況下須就重大事項向董事會匯報和取得其事先批准。儘管作出委託，董事確認編製真實且公平地反映本集團財務業績之財務報表乃董事會之責任。

#### 董事保險

本公司已就賠償本集團董事因公司事務所產生之責任安排合適之責任保險。責任保險範圍每年予以檢討。

### 董事委員會

董事會成立了審核委員會及薪酬委員會，委員會清晰的書面職權範圍之條款不遜於常規守則所載。審核委員會及薪酬委員會之職權範圍詳情可在本公司網站瀏覽。本公司之全體獨立非執行董事均為該等委員會成員，現由陳國偉先生、羅麗萍女士及馬時俊先生組成，其中陳國偉先生同時出任該等委員會主席。兩名審核委員會成員具備適當的專業資格、會計或相關財務管理專業知識，較上市規則之要求為高。

#### 審核委員會

##### *角色及職能*

董事會成立審核委員會以審閱本集團之企業管治、財務報告、內部監控及風險管理程序。審核委員會擔任顧問角色，並向董事會就上述範圍作出相關建議。



## Corporate Governance Report

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## BOARD COMMITTEES (cont'd)

## Audit Committee (cont'd)

## Meetings

The Audit Committee held five meetings during 2009, on 9th January, 13th March, 24th July, 4th September and 14th December respectively. Individual attendance of each member is indicated in the table of "Attendance Records of Audit Committee Meetings". All members and certain senior management attended the said meetings to review the Company's external auditors' (the "Independent Auditors") audit findings as appropriate; the accounting principles and practices adopted by the Group and the requirements of the Listing Rules and statutory compliance. They also discussed internal audit reports prepared by Internal Audit Department; the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget; auditing; internal control; risk management and financial reporting matters (including the interim and annual accounts for the six months ended 30th June, 2009 and for the year ended 31st December, 2009 respectively before recommending them to the Board for approval) with the presence of the Independent Auditors on 13th March, 2009. All accompanying meeting papers were sent to the members in a timely manner and at least 3 days before the meetings. Draft and executed minutes of the meetings were sent in good time to all members for their comment and records respectively. Minutes of the meetings recorded in sufficient details were kept by the Company Secretary. Sufficient resources had been given to allow the Audit Committee to discharge its duties and the senior management were co-opted to join the meetings of the Audit Committee to explain the financial and business conditions of the Company to the committee members from time to time.

## 董事委員會 (續)

## 審核委員會 (續)

## 會議

審核委員會分別於二零零九年一月九日、三月十三日、七月二十四日、九月四日及十二月十四日舉行共五次會議。各成員之個別出席記錄載於「審核委員會會議出席記錄」附表。全體審核委員會成員及若干高級管理層成員均有出席該等會議，以檢討本公司外聘核數師（「獨立核數師」）之審核結果（如適用）、本集團所採納之會計原則與常規及遵守上市規則及法規規定之情況。審核委員會連同若干高級管理層成員亦討論由內部審核部準備之內部審核報告、本公司在會計及財務匯報職能之資源、員工之資歷及經驗是否足夠，以及相關員工所接受的培訓課程及有關預算是否充足、核數、內部監控、風險管理及財務報告之事宜（包括在建議給董事會批准前先分別討論截至二零零九年六月三十日止六個月及截至二零零九年十二月三十一日止年度之中期和年度賬目）。於二零零九年三月十三日舉行之會議，獨立核數師亦有出席。所有相關會議文件均已於會議前至少三日及時送呈各成員。會議記錄之初稿及定稿亦已分別盡早送呈各成員以供彼等提供意見及存檔。公司秘書負責保存載有詳盡細節之會議記錄。本公司已給予審核委員會充足資源，以讓其履行職責，而高級管理層成員亦不時獲邀出席審核委員會會議，向委員會成員解釋本公司之財務及業務狀況。

## Attendance Records of Audit Committee Meetings 審核委員會會議出席記錄

| Attendance Records of Audit Committee Meetings |           | No. of meetings attended/held<br>(Percentage of attendance in total) |
|--|-----------|--|
| Name of members                                | 成員名稱      | 出席／舉行會議數目（總出席率）  |
| Mr. Chan, Kwok-wai (Chairman)                  | 陳國偉先生（主席） | 5/5 (100%)   |
| Ms. Phillis Loh, Lai-ping                      | 羅麗萍女士     | 5/5 (100%)   |
| Mr. Ma, Tsz-chun                               | 馬時俊先生     | 5/5 (100%)   |

## Corporate Governance Report

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### BOARD COMMITTEES (cont'd)

#### Audit Committee (cont'd)

##### *Independent Auditors*

In order to enhance independent reporting by Independent Auditors, INEDs hold meeting(s) with the Independent Auditors without the presence of the Executive Director. In addition, the engagement partner of the Independent Auditors is subject to periodical rotation, and the nature and ratio of annual fees payable to Independent Auditors for non-audit services and for audit services are subject to scrutiny by the Audit Committee. A policy of non-audit services from Independent Auditors was established. The Audit Committee considers whether there are clear efficiencies and value-added benefits to the Company from that work being undertaken by the Independent Auditors; whether there is adverse effect on the independence of their audit work or the perception of such independence; the nature of the non-audit services envisaged to be provided by the Independent Auditors; and the related fee levels individually and in aggregate relative to the audit fees. In addition, a policy restricting the employment of employees or former employees of Independent Auditors as senior executives or financial positions with the Group has also been in place.

During the Year, the Independent Auditors provided audit service for auditing the consolidated financial statements of the Group for the year ended 31st December, 2009 at a fee of HK\$2,230,000. The Independent Auditors had also engaged in providing non-audit service in relation to the annual review of a continuing connected transaction and the review of the conducts of the private sale of a development project at a fee of HK\$20,000 and HK\$130,000 respectively. Engagement agreements with the Independent Auditors had been reviewed and approved by the Audit Committee.

Prior to the commencement of the audit of accounts of the Group, the Audit Committee had reviewed the Independent Auditors' independence and objectivity as required under the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, reviewed the terms of their engagement and discussed with them the nature and scope of the audit and reporting obligations.

The Audit Committee is satisfied with the findings of their review of the process, effectiveness, independence and objectivity of the Independent Auditors.

A statement by the Independent Auditors about their reporting responsibilities for the Year is set out in this annual report.

### 董事委員會 (續)

#### 審核委員會 (續)

##### *獨立核數師*

為確保獨立核數師能作出獨立報告，獨立非執行董事在執行董事不在場下與獨立核數師舉行會議。此外，負責本公司核數工作的獨立核數師合夥人將定期輪換，審核委員會亦會監管獨立核數師每年就非核數及核數服務所收之酬金性質和比例。有關獨立核數師為本公司提供非核數服務之政策已訂立。審核委員會會考慮獨立核數師受聘從事之工作會否為本公司帶來明確的效益和增值作用、會否對其審計工作的獨立性或獨立形象構成負面影響、被視為由獨立核數師提供之非核數服務之性質以及個別費用及總計費用之水平相對於核數費用之水平。此外，本公司亦採納一套禁止聘用獨立核數師僱員或前僱員出任本集團高級行政人員或財務職位之措施。

於本年度內，獨立核數師為本集團提供核數服務，以審核本集團截至二零零九年十二月三十一日止年度之綜合財務報表，費用為2,230,000港元。獨立核數師亦受聘於提供非核數服務，就一項持續關連交易進行年度審閱及就一個發展項目之內部認購程序進行檢討，費用分別為20,000港元及130,000港元。審核委員會已審閱及批准獨立核數師之聘任協議。

於審核本集團賬目前，審核委員會已根據由香港會計師公會頒布之會計師專業操守守則檢討獨立核數師之獨立和客觀性。審核委員會亦已於審核本集團賬目前，檢討他們的審核範圍，以及與他們討論核數和報告責任的性質及範圍。

審核委員會滿意其就獨立核數師之程序、效率、獨立性及客觀性所作出之檢討結果。

獨立核數師就彼等於本年度之報告責任所發出之聲明已載於本年報內。

## Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES (cont'd)

#### Audit Committee (cont'd)

##### *Amendment of Terms of Reference*

As a result of implementation of certain amendments to the Listing Rules effective on 1st January, 2009, the terms of reference of the Audit Committee had been amended by deleting any reference to the qualified accountant as it was no longer necessary to have qualified accountant for a listed company in Hong Kong. Instead, the terms of reference now requires the Audit Committee to discuss on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Audit Committee assists the Board to have effective internal controls for proper financial reporting, adequate accounting systems and appropriate human resources to fulfill its continuing financial reporting obligations. The Audit Committee had carried out an annual review on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget and confirmed that the Company had duly complied with the relevant Code Provisions.

#### Remuneration Committee

##### *Role and Function*

The Remuneration Committee is responsible for reviewing and approving the existing remuneration policy for all Directors and senior executives. It is also responsible for reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. It would consult the Chairman and CEO on the remuneration proposals whenever it thinks fit.

### 董事委員會 (續)

#### 審核委員會 (續)

##### *職權範圍之修改*

由於上市規則之若干修訂已於二零零九年一月一日實施，上市公司無須再設立合資格會計師一職，審核委員會之職權範圍就此已省去合資格會計師之任何相關部分。取而代之，該職權範圍現要求審核委員會討論本公司在會計及財務匯報職能之資源、員工之資歷及經驗是否足夠，以及相關員工所接受的培訓課程及有關預算是否充足。審核委員會協助董事會使其具備有效之內部監控系統作合適之財務報告、充足之會計系統及適當之人力資源以履行持續之財務報告責任。審核委員會已就有關會計及財務匯報職能之資源、員工之資歷及經驗是否足夠，以及相關員工所接受的培訓課程及有關預算是否充足方面作出年度檢討，並確認本公司已遵守相關守則條文。

#### 薪酬委員會

##### *角色及職能*

薪酬委員會負責檢討及批准所有董事及高級行政人員現時之薪酬政策。薪酬委員會亦負責透過參照董事會不時通過之企業目的及目標，檢討及批准按表現釐定之薪酬。薪酬委員會將在其認為恰當之情況下就薪酬建議諮詢主席兼行政總裁。



## Corporate Governance Report

## 企業管治報告書

## BOARD COMMITTEES (cont'd)

## Remuneration Committee (cont'd)

## Meetings

The Remuneration Committee held three meetings in 2009, on 13th March, 24th July and 14th December respectively. Individual attendance of each member is indicated in the table of "Attendance Records of Remuneration Committee Meetings". During the Year, the Remuneration Committee reviewed and approved the Executive Director's and senior executives' remuneration packages and the terms of service agreements as appropriate. The Remuneration Committee also recommended to the Board to adjust the remuneration of NEDs (namely Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai) to HK\$220,000 per annum.

Professional advice and sufficient resources will be given to the Remuneration Committee whenever it considers necessary in order to discharge its duties. Draft and executed minutes of the meetings were sent in good time to all members for their comment and records respectively. Minutes of meetings recorded in sufficient details were kept by the Company Secretary.

## 董事委員會 (續)

## 薪酬委員會 (續)

## 會議

薪酬委員會分別於二零零九年三月十三日、七月二十四日及十二月十四日舉行共三次會議。各成員之個別出席記錄載於「薪酬委員會會議出席記錄」附表。於本年度內，薪酬委員會檢討及批准執行董事及高級行政人員之薪酬待遇及服務協議之條款（如適用）。薪酬委員會亦向董事會建議將非執行董事（即劉鳴煒先生及劉玉慧女士）之酬金調整至每年220,000港元。

本公司將於薪酬委員會有需要時向其提供專業意見及充足資源，以協助其履行職責。會議記錄之初稿及定稿已分別盡早送呈各成員以供彼等提供意見及存檔。公司秘書負責保存載有詳盡細節之會議記錄。

| Attendance Records of Remuneration Committee Meetings 薪酬委員會會議出席記錄 |           |   |
|---|-----------|---|
| Name of members 成員名稱  |           | No. of meetings attended/held (Percentage of attendance in total) 出席／舉行會議數目（總出席率） |
| Mr. Chan, Kwok-wai (Chairman)                                     | 陳國偉先生（主席） | 3/3 (100%)  |
| Ms. Phillis Loh, Lai-ping   | 羅麗萍女士     | 3/3 (100%)  |
| Mr. Ma, Tsz-chun  | 馬時俊先生     | 3/3 (100%)  |

## Remuneration Policy for Executive Director

The primary goal of the remuneration policy on executive director's remuneration package is to enable the Company to retain and motivate Executive Director by linking his compensation with performance as measured against corporate objectives. In determining guidelines for each compensation element, the Company refers to remuneration surveys conducted by independent external consultants on companies operating in similar business.

## 執行董事之薪酬政策

有關執行董事薪酬待遇之薪酬政策主要目的乃讓本公司以公司目標為衡量標準，將執行董事之薪酬與表現掛鉤，藉以挽留和激勵執行董事。本公司決定每項薪酬元素之指引時會參考由獨立外聘顧問對從事相近業務之公司所進行之薪酬調查。

## Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES (cont'd)

#### Remuneration Committee (cont'd)

##### *Remuneration Policy for Executive Director (cont'd)*

As set out in the service agreement of the Executive Director approved by the Remuneration Committee, the Executive Director's emolument is HK\$18,000,000 per annum. The Remuneration Committee will review the remuneration package of Executive Director regularly pursuant to its terms of reference and the Code.

##### *Remuneration Policy for NEDs and INEDs*

The Directors' fees of NEDs and INEDs are subject to annual assessment with reference to his/her duties and responsibilities and the prevailing market condition. Each NED and INED is entitled to a director's fee of HK\$220,000 per annum as determined and approved by the Board (with the Director involved abstained from voting). Reimbursement is allowed for out-of-pocket expenses incurred in connection with performance of their duties.

##### *Nomination Committee*

No Nomination Committee is established. At present, the Board is responsible for the appointment of Directors, evaluation of the Board's composition and the management of the Board's succession with reference to certain guidelines. These guidelines include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills as well as time commitments of the Board members. It carries out the process of selecting and recommending candidates for directorship including the consideration of referrals and engagement of recruitment firms, whenever necessary. The Board also reviews and recommends the re-appointment of retiring Directors for shareholders' approval at the annual general meetings. The Board shall exercise its power under Bye-law 94 of the Company's Bye-laws to appoint additional Director(s) whenever the business of the Company requires.

### 董事委員會 (續)

#### 薪酬委員會 (續)

##### *執行董事之薪酬政策 (續)*

按薪酬委員會批准之執行董事服務合約，執行董事之酬金為每年18,000,000港元。薪酬委員會將根據其職權範圍及常規守則定期檢討執行董事之薪酬待遇。

##### *非執行董事及獨立非執行董事之薪酬政策*

非執行董事及獨立非執行董事之董事袍金乃參照其職務與責任及當時市況釐定，並按年評估。董事會（在涉及之董事放棄投票之情況下）決定及批准各非執行董事及獨立非執行董事有權每年收取董事袍金220,000港元。彼等可獲償付就履行職責而產生之實付開支。

##### *提名委員會*

本公司並無成立提名委員會。現時，董事會參考若干指引，負責董事之委任、對董事會之組成進行評估及管理董事會之繼任事宜。該等指引列出董事會成員需具備之適當條件，包括專業知識及行業經驗、個人操守、誠信及個人技能，以及所需投入時間。其執行挑選及推薦董事職位候選人之過程包括考慮引薦人選及委託招聘公司（如有需要）。董事會亦就續聘將退任之董事作出檢討及建議，供股東於股東週年大會上批准。董事會將因應本公司業務所需，行使其根據本公司之公司細則第94條之權力委任額外董事。

## Corporate Governance Report

## 企業管治報告書

### SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Listing Rules ("Model Code"). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Year.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees ("Relevant Employees") who, because of office or employment, are likely to be in possession of unpublished price-sensitive information in relation to the Group's securities had been requested to follow such code when dealing in the securities of the Company. All Relevant Employees, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the said code during the Year.

### INTERNAL CONTROL

The Board is responsible for maintaining an adequate system of internal control in the Company and reviewing its effectiveness through the Audit Committee. The senior management is responsible for implementation of such system of internal control. Internal Audit Department is responsible for reviewing relevant financial, operational and compliance controls and risk management functions and reporting their findings and advice to the Audit Committee.

#### Special Reviews

To have an in-depth review on the existing structure of internal control, during the Year, Ernst & Young, an independent international professional accounting firm continued to monitor the follow-up works on the two internal control reviews for the Group performed in 2008. Relevant reports had been reviewed and discussed by the Audit Committee. Majority of the recommendations stated in the reports had been followed up by the senior management progressively in order to enhance the internal control policies, procedures and practices.

### 證券交易

本公司已採納一套董事進行證券交易之守則，其條款與上市規則附錄十《上市發行人董事進行證券交易的標準守則》（「標準守則」）所規定之標準別無差異。經本公司作出明確查詢後，所有董事均已確認彼等已於本年度內遵守標準守則所規定之標準及前述之交易守則。

本公司亦已採納一套有關僱員進行證券交易之守則，其條款不遜於標準守則所規定之標準。本公司已要求所有因其職位或崗位而極可能掌握有關本集團證券之未公布價格敏感資料之有關僱員（「有關僱員」），於買賣本公司證券時遵守該守則。經本公司作出明確查詢後，所有有關僱員均已確認彼等已於本年度內遵守前述守則所規定之標準。

### 內部監控

董事會負責維持本公司妥善之內部監控系統及透過審核委員會檢討其效能。高級管理層負責實施此內部監控系統。內部審核部負責檢討相關之財務、營運、監控控制及風險管理功能，並將檢討結果及建議提交審核委員會。

#### 特別檢討

為深入檢討現行內部監控架構，於本年度內，獨立國際專業會計師行安永會計師事務所繼續就兩項於二零零八年為本集團進行之內部監控檢討之跟進工作進行監察。有關檢討報告亦已提交審核委員會審閱及討論。報告中所述大部分建議已交由高級管理層積極跟進，以提升內部監控政策、程序及慣例。

## Corporate Governance Report

## 企業管治報告書

### INTERNAL CONTROL (cont'd)

#### Annual Review

Based on the annual assessment made by the Independent Auditors and the works done by Internal Audit Department, the Audit Committee and the Board are satisfied with the effectiveness of the system of internal control of the Group and concluded that:–

- (1) the Company had complied with the Code Provisions on internal control during the Year;
- (2) a framework of prudent and effective controls had been established to identify, evaluate and manage the risks;
- (3) internal control and accounting systems of the Group were efficient and adequate;
- (4) significant risks that may influence the Group had been identified, evaluated and managed through ongoing monitoring process; and
- (5) material transactions were executed with the management's authorisation.

#### Internal Audit

Internal Audit Department reports directly to the Audit Committee and is independent of the Company's management, with key tasks to:–

- (1) assess and monitor internal controls of the Group with unrestricted direct access right to any levels of management whenever it considered necessary;
- (2) conduct comprehensive internal audits of the practices and procedures, income and expenditures, and internal control of all business units of the Group on a regular basis; and
- (3) carry out special reviews and investigations on areas of concern identified by the management for corrective actions.

### 內部監控 (續)

#### 年度檢討

根據獨立核數師之年度評估以及內部審核部所完成之工作，審核委員會及董事會對本集團之內部監控系統效率感到滿意，並總結：—

- (1) 本公司於本年度內已遵守內部監控之守則條文；
- (2) 本集團已設立審慎及有效之監控框架以識別、評估及管理風險；
- (3) 本集團之內部監控及會計系統屬有效及恰當；
- (4) 本公司已透過持續監察過程識別、評估及管理可能影響本集團之重大風險；及
- (5) 本集團之重大交易獲管理層授權而執行。

#### 內部審核

內部審核部乃獨立於本公司之管理層，並直接向審核委員會匯報，其主要工作為：—

- (1) 於其認為有需要時，以無限制權力直接接觸任何管理層，以評估及監察本集團之內部監控；
- (2) 定期就本集團之常規及程序、收入和開支，及所有業務單位之內部監控進行綜合內部審核；及
- (3) 對管理層所識別關注之範疇進行特別檢討及調查，以作出糾正。

## Corporate Governance Report

## 企業管治報告書

### INTERNAL CONTROL (cont'd)

#### Internal Audit (cont'd)

Internal Audit Department produces an annual internal audit plan based on a risk assessment methodology for the Audit Committee's approval. Internal audits are carried out on a regular basis according to the approved plan. Internal audit reports summarising audit findings and recommendations are prepared quarterly for the Audit Committee's review and discussion. Management is responsible for ensuring that control weaknesses highlighted in internal audits are rectified within a reasonable period. Internal Audit Department would monitor the proper implementation of corrective measures.

During the Year, Internal Audit Department had conducted four internal audits, relevant reports had been submitted to the Audit Committee for consideration. The Audit Committee was satisfied with the works done by the Internal Audit Department.

### COMMUNICATIONS WITH SHAREHOLDERS

The Company acknowledges that general meetings are good communication channel with shareholders that the Directors and the chairman of the Board committees are encouraged to attend and answer questions from shareholders at annual general meetings. Majority of the Directors, the chairman of the Audit Committee and the Remuneration Committee as well as the Independent Auditors had attended and were available to answer questions at the 2009 AGM.

At the commencement of each general meeting, the chairman of the meeting had explained the procedures for conducting a poll to the shareholders and the shareholders were allowed to raise any question concerning the poll procedures. At each of the meetings, separate resolutions were proposed by the chairman of the meeting and put forward to the shareholders for poll voting. Details of poll results are available at the Company's website ([www.chineseestates.com](http://www.chineseestates.com)).

### 內部監控 (續)

#### 內部審核 (續)

內部審核部以風險評估法制定年度內部審核計劃，並交由審核委員會批准。內部審核工作乃按經批准之計劃定期進行。內部審核部將綜合審核結果及建議之季度內部審核報告呈交予審核委員會審閱及討論。管理層負責確保於內部審核中強調之監控弱點於合理時間內糾正。內部審核部會監察相關糾正措施有否恰當地實行。

於本年度內，內部審核部共進行了四次內部審核，有關報告亦已提呈審核委員會考慮。審核委員會對內部審核部所完成之工作感到滿意。

### 與股東之溝通

本公司深信股東大會為與股東之良好溝通渠道，並鼓勵董事及董事委員會主席出席股東週年大會及解答有關股東提問。大多數董事、審核委員會及薪酬委員會主席聯同獨立核數師均有出席2009股東週年大會以回應垂詢。

於各股東大會開始時，大會主席向股東解釋以投票方式表決的程序，並容許股東可就相關表決程序提問。於各股東大會上，大會主席提呈獨立決議案，並提交予股東投票。有關投票表決結果之詳情可於本公司網站([www.chineseestates.com](http://www.chineseestates.com))瀏覽。



## Corporate Governance Report

## 企業管治報告書

### COMMUNICATIONS WITH SHAREHOLDERS (cont'd)

With the implementation of certain amendments to the Listing Rules effective on 1st January, 2009, voting at all general meetings of a listed company should be conducted by poll. It is believed that the voting by poll can fully reflect the proprietary rights of shareholders and is a fairer method of determination for the shareholders than voting by a show of hands. Pursuant to Bye-law 75 of the Bye-laws of the Company, a resolution put to vote at general meetings shall be decided on a show of hands, unless a poll is demanded in accordance therewith. The Company will procure the chairman of general meeting to demand for voting by poll on every general meeting to comply with the newly amended Listing Rules.

As a channel to promote effective communication, the Company maintains a corporate website ([www.chineseestates.com](http://www.chineseestates.com)) to disseminate the Group's information. Investor Relations Department is responsible for answering enquiries raised by the investors of the Company and the general public.

A corporate communications manual which provides guidance for coordinating the disclosure of material information to investors, analysts and media, identifies who could speak on the Company's behalf, and outlines the responsibility for communication with various stakeholder groups has been in place.

The above corporate governance practices will be reviewed, amended and revoked from time to time as considered necessary by the Board and its committees.

### 與股東之溝通 (續)

在上市規則之若干修訂於二零零九年一月一日實施後，所有股東大會之表決方式必須以投票方式進行。以投票方式表決作為股東表決之辦法，相信更能全面反映股東之財產權利，且較舉手表決更為公平。根據本公司之公司細則第75條，提交股東大會表決之決議案須以舉手方式表決，除非按該細則所列之有關人士要求以投票方式表決除外。為遵守有關新修訂之上市規則，本公司會確保股東大會主席於各股東大會上要求以投票方式進行表決。

為提高溝通成效，本公司設有公司網站 ([www.chineseestates.com](http://www.chineseestates.com))，以發放本集團資料。投資者關係部負責回應本公司之投資者及公眾之查詢。

本公司已製備了一份企業通訊手冊，訂明向投資者、分析員及傳媒披露重要資料之指引，確定可代表本公司發言之人士，以及界定與各利益相關團體溝通之責任。

董事會及其轄下之委員會不時按需要檢討、修訂及撤回以上企業管治常規。