

## Corporate Governance Report

## 企業管治報告書

### OBJECTIVE

The Board of Directors (the “Directors” or the “Board”) of the Company together with its subsidiaries (together, the “Group”) is committed to maintaining high standards of corporate governance so as to ensure high transparency and protection of shareholders’ interests in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this Corporate Governance Report is to present to shareholders how the Company has applied the principles in the Code on Corporate Governance Practices (the “Code”) under Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2009 (the “Year”).

### BOARD OF DIRECTORS

The Board is responsible for directing the Group, formulating overall strategy, monitoring operating and financial performance of the Group and overseeing the performance of the management. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company’s affairs during the Year.

#### Structure

The Board currently comprises two Executive Directors and three Independent Non-executive Directors (the “INED(s)”). The INEDs represent more than one-third of the Board. The members of the Board are as follows:

#### Executive Directors

Mr. Kong, Chi-ming (*Deputy Chairman*)  
Mr. Leung, Wing-pong (*Chief Executive Officer*)

#### Independent Non-executive Directors

Dr. David Chain, Chi-woo  
Mr. Lam, Yat-fai  
Mr. Leung, Yun-fai

### 理念

本公司董事會（「董事」或「董事會」）連同其附屬公司（統稱「本集團」）銳意維持高度企業管治，以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規，以維持良好之內部監控制度及吸納卓越之成員加入董事會。

本企業管治報告書是向股東呈示本公司於截至二零零九年十二月三十一日止年度（「本年度」）如何應用香港聯合交易所有限公司（「聯交所」）頒布之聯交所證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「守則」）之原則。

### 董事會

董事會負責領導本集團、制訂整體策略、監察本集團之營運及財務表現，以及監督管理層之表現。每位董事均以本公司之最佳利益為前題，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。年內，彼等已付出足夠時間及專注力以處理本公司事務。

#### 架構

董事會目前由兩位執行董事及三位獨立非執行董事組成（「獨立非執行董事」），獨立非執行董事之人數超過董事會成員總數之三分之一。董事會成員如下：

#### 執行董事

江志明先生（*副主席*）  
梁榮邦先生（*行政總裁*）

#### 獨立非執行董事

錢其武醫生  
林日輝先生  
梁潤輝先生

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### BOARD OF DIRECTORS (cont'd)

#### Structure (cont'd)

The Directors' biographies are available on the Company's website. There is no relationship among members of the Board and in particular, between the Deputy Chairman and the Chief Executive Officer (the "CEO").

At least one of the INEDs has appropriate professional qualification as required by the Stock Exchange. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

Directors (including the INEDs) are not appointed for any specific term. According to The International Tak Cheung Holdings Limited Act 1991 ("International Tak Cheung Holdings Limited" was the former name of the Company) under which the Company was exempted from certain compliances with the Bermuda Companies Act 1981 (the "Bermuda Companies Act") (the "Private Act"), the Directors shall not be required to be elected at each annual general meeting, but shall (save for any chairman and managing director) be subject to retirement by rotation in such manner and at such frequency as the Bye-laws may provide. Notwithstanding that no retirement by rotation is required for the managing director under the Private Act or the Bermuda Companies Act, Mr. Leung, Wing-pong, as the CEO is willing to voluntarily retire from his directorship at annual general meetings of the Company at least once every three years by following the Bye-laws of the Company concerning the directors' retirement by rotation, and being eligible, will offer himself for re-election at the relevant annual general meetings.

Every Director is therefore subject to retirement by rotation either under the Bye-laws or voluntarily, and eligible for re-election at the annual general meetings of the Company at least once every three years.

### 董事會 (續)

#### 架構 (續)

董事簡歷可於本公司網頁瀏覽。董事會成員之間，尤其副主席與行政總裁（「行政總裁」）之間，並無關係。

最少一名獨立非執行董事具備聯交所規定之相關專業資格。本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

董事（包括獨立非執行董事）並非按任何指定任期委任。按照The International Tak Cheung Holdings Limited Act 1991（「International Tak Cheung Holdings Limited」乃本公司之前稱），據此本公司獲豁免若干一九八一年百慕達公司法例（「百慕達公司法例」）應遵守之規定（「私人法例」），董事不須於每次股東週年大會上選舉連任，但須（任何主席及董事總經理除外）根據公司細則所指定的方法及按時輪席告退。儘管私人法例及百慕達公司法例並無規定董事總經理輪席告退，梁榮邦先生作為行政總裁願意做效公司細則有關董事輪席告退之規定，最少每三年於本公司之股東週年大會上自願輪席告退為董事職務一次，並符合資格及願意於相關股東週年大會上膺選連任。

因此，每名董事須根據公司細則或自願最少每三年於本公司股東週年大會上輪席告退一次，並合資格重選連任。

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### BOARD OF DIRECTORS (cont'd)

#### Assistance to Directors in Decision Making

Throughout their period in office, the Directors have been informed of the Group's business, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry it operates in as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a listed company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

The Directors are given access to independent professional advice at the Company's expense, when they deem it is necessary in order for them to carry out their responsibilities from time to time.

To enhance the Directors' consciousness on the importance of the directors' duties under common law (which is also generally applicable to Bermuda where the Company was incorporated) and to comply with the requirement of the Companies Ordinance (Cap. 32, Laws of Hong Kong), a "Guide on Directors' Duties" in which the general principles a director should follow in the performance of his/her functions and exercise of his/her powers was distributed to the Directors.

#### Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meetings' agenda. The Board is supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with the opportunity to attend the meeting. Board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and will be adequately prepared for the meeting. Senior management is invited to attend the meeting to address to the Board members' queries. This enables the Board to have pertinent data and insight for a comprehensive and informed evaluation as part of the Board's decision-making purpose.

### 董事會 (續)

#### 給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為上市公司董事之法定及其他職能以及職責提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

董事可不時視乎履行其職責所需而尋求獨立專業意見，費用概由本公司承擔。

為提高董事對普通法（彼亦一般地適用於本公司之註冊地百慕達）下董事職責重要性之意識及遵守公司條例（香港法例第32章）之要求，一份載有董事於執行職能及行使權力時應遵守之一般原則之「董事責任指引」已分發予董事。

#### 會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，供其選擇是否出席會議。董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

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## BOARD OF DIRECTORS (cont'd)

**Conduct of Meetings (cont'd)**

The Deputy Chairman has delegated the responsibility to the secretary of the Company (the "Company Secretary") for drawing up and approving the meeting's agenda for each Board meeting, taking into account of any matters proposed by the other Directors for inclusion in the agenda.

The proceedings of the Board at its meetings are generally monitored by the Deputy Chairman who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to the Directors to express their views and concerns.

Each Director has to declare his interest and to abstain from voting on any board resolution in which he or any of his associates has a material interest pursuant to the Company's Bye-laws and the laws of Bermuda.

All Directors have full access to the advice and services of the Company Secretary to ensure the Board's procedures, rules and regulations are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within reasonable time after the meeting is held. The minutes of Board meetings and of the Board committees' meetings are kept by the Company Secretary, which are open for inspection by the Directors on reasonable notice.

Four regular Board meetings were held on 11 March, 7 July, 20 August and 10 December for the Year respectively. The Company Secretary and the Company's senior management had attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business. The individual attendance of each Director at the Board meetings held during the Year is as follows:

<b>Directors</b>	<b>No. of Board meetings attended/held (Percentage of attendance in total)</b>	<b>董事</b>	<b>出席／舉行 董事會 會議數目 (總出席率)</b>
<u>Executive Directors</u>			
Mr. Kong, Chi-ming ( <i>Deputy Chairman</i> )	4/4 (100%)	江志明先生 ( <i>副主席</i> )	4/4 (100%)
Mr. Leung, Wing-pong ( <i>CEO</i> )	4/4 (100%)	梁榮邦先生 ( <i>行政總裁</i> )	4/4 (100%)
<u>Independent Non-executive Directors</u>			
Dr. David Chain, Chi-woo	4/4 (100%)	錢其武醫生	4/4 (100%)
Mr. Lam, Yat-fai	4/4 (100%)	林日輝先生	4/4 (100%)
Mr. Leung, Yun-fai	4/4 (100%)	梁潤輝先生	4/4 (100%)

## 董事會 (續)

## 會議之舉行 (續)

副主席已委派公司秘書(「公司秘書」)負責在考慮各董事建議之議程後,編撰及批核每次董事會會議之議程。

董事會之議事程序一般由副主席主持,以確保分配充裕之時間作出討論及考慮議程內之各個項目。各董事均獲平等機會表達意見及其關注事宜。

根據本公司之公司細則及百慕達法例,每位董事均須申報其權益,並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

全體董事有權全面尋求公司秘書之意見及服務,以確保遵守董事會程序、規則及規例。詳盡之各董事會會議記錄之草稿及定稿將於舉行會議後之合理時間內,送交董事提供意見及記錄。董事會會議及董事委員會會議之記錄由公司秘書存置,並可由董事發出合理通知下供其查閱。

董事會分別於本年度三月十一日、七月七日、八月二十日及十二月十日舉行共四次定期董事會會議。公司秘書及本公司高級管理層均已出席董事會會議,匯報企業管治、風險管理、法規遵守、會計、財務及業務相關之事宜。年內,各董事於董事會會議之出席率如下:

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### BOARD OF DIRECTORS (cont'd)

#### Works Performed

During the Year, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgment on the Company's strategy, performance and standards of conduct; had taken the lead where potential conflicts of interests arose; had served on Board committees; had ensured that the Board maintained high standards of financial and other mandatory reporting; carried out reviews on matters reported by the Board committees, and had provided adequate checks and balance to safeguard the interests of shareholders in general and the Company as a whole.

During the Year, the INEDs had actively participated in the Board meetings, brought independent judgment and given their comments to the information or reports submitted to the meetings.

Besides attending the Board or committee meetings, in order to make timely decision and have effective implementation of the Company's policy and practice, the Board had also adopted written resolutions signed by all directors to make decision on corporate affairs from time to time.

As part of the continuing process on supervising the Company's affairs, the Directors, acting through by the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of the Company's accounting staff and financial reporting function, and their training programmes and budget in December 2009.

#### Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code") as a code of conduct regarding securities transactions by Directors. In addition, the Company has a separate written code of conduct on terms no less exacting than the Model Code for the relevant employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company (the "Employees' Code").

Having made specific enquiry of all Directors and the relevant employees, all Directors confirmed that they had complied with the required standard set out in the Model Code and the relevant employees had complied with the Employees' Code regarding securities transaction throughout the Year.

### 董事會 (續)

#### 履行之工作

年內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事委員會委員；確保董事會維持高水平之財務及其他強制申報準則；審閱委員會報告之事項；以及提供足夠審查及平衡，以保障全體股東與本公司整體利益。

年內，獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納全體董事書面決議書為公司事務作出決定。

作為持續監督本公司業務之程序，董事已於二零零九年十二月由審核委員會代行審閱本公司會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。

#### 進行證券交易之標準守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的操守準則。另外，本公司亦已就可能擁有未公布的股價敏感資料之相關僱員，制訂不遜於標準守則之書面操守守則，作為彼等進行本公司證券交易之指引（「僱員守則」）。

本公司在向所有董事及有關僱員作出具體查詢後，所有董事確認彼等於年內一直遵守標準守則載列的所需標準，以及有關僱員於年內就進行證券交易一直遵守僱員守則。

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### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and CEO are separate and not performed by the same individual. Mr. Kong, Chi-ming is the Deputy Chairman with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company. Mr. Leung, Wing-pong is the CEO with responsibility for the overall business and operation of the Group. This segregation is clearly established and set out in writing to ensure a clear distinction between the Chairman's responsibility to manage the Board and CEO's responsibility to manage the Group's business.

### BOARD COMMITTEES

The Board has established Audit Committee and Remuneration Committee with defined roles and terms of reference.

#### Audit Committee

##### Structure

The Audit Committee has been established with the role to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and the internal control principles and for maintaining an appropriate relationship with the Company's auditors (the "Independent Auditors"). It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee members possess diversified industry experience. The Audit Committee is made up of the INEDs, namely:

Mr. Lam, Yat-fai (*Chairman*)

Dr. David Chain, Chi-woo

Mr. Leung, Yun-fai

##### Function

The Audit Committee's terms of reference can be found on the Group's website.

The major duties of the Audit Committee are summarised below:

- i) to make recommendations to the Board on the appointment, re-appointment and removal of the Company's Independent Auditors, review and monitor their independence and objectivity as well as the effectiveness of the audit process;

### 主席及行政總裁

主席及行政總裁之角色須予分開，且不得由同一個人擔任。江志明先生為副主席，負責監督董事會職能、制訂本公司整體策略及政策。梁榮邦先生為行政總裁，負責監督本集團之整體業務及運作。主席及行政總裁職能分配已清楚以書面訂立，以清楚劃分主席負責管理董事會，而行政總裁負責管理本集團業務。

### 董事委員會

董事會已成立審核委員會及薪酬委員會，並界定其角色及職權範圍。

#### 審核委員會

##### 架構

審核委員會已成立，其角色為協助董事會建立正式及具透明度之安排，讓董事會考慮如何應用財務匯報及內部監控原則，以及如何與本公司核數師（「獨立核數師」）維持恰當的關係。審核委員會具有顧問職能，並向董事會提供意見。

審核委員會全體成員均具備多元化的業務經驗。審核委員會由全體獨立非執行董事組成，彼等為：

林日輝先生（主席）

錢其武醫生

梁潤輝先生

##### 職能

有關審核委員會之職權範圍，可瀏覽本集團網頁。

審核委員會之主要職責概述如下：

- i) 就委任、重新委任及罷免本公司獨立核數師向董事會提供推薦意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；

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## BOARD COMMITTEES (cont'd)

## Audit Committee (cont'd)

## Function (cont'd)

- ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts and quarterly reports of the Company, and to review any significant financial reporting judgments contained in them; and
- iii) to review and ensure the effectiveness of the Company's financial control, internal control and risk management systems.

## Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and delivers an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year, the Audit Committee members reviewed the information memorandum with due care and discussed with the Group Financial Controller (who is also the Company Secretary) and other senior management (if necessary) during the meetings.

During the Year, the Audit Committee held three meetings on 9 March, 18 August and 10 December 2009 with the presence of the Company's senior management. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Audit Committee members for records.

Individual attendance of each committee member at the meetings is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Lam, Yat-fai ( <i>Chairman</i> )	3/3 (100%)
Dr. David Chain, Chi-woo	3/3 (100%)
Mr. Leung, Yun-fai	3/3 (100%)

## 董事委員會 (續)

## 審核委員會 (續)

## 職能 (續)

- ii) 監察本公司中期及全年綜合財務報表、報告和賬目及季度報告之真實性，以及審閱上述各項所載之任何重大財務報告之判斷；及
- iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性。

## 會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。年內，審核委員會成員謹慎地審閱資料備忘錄，並於會議上與集團財務總監（彼亦為公司秘書）及其他高級管理層成員（如有需要）討論。

年內，審核委員會分別於二零零九年三月九日、八月十八日及十二月十日舉行共三次會議，而本公司的高級管理層成員均有出席。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員傳閱及給予意見。公司秘書已經存置全部會議記錄，有關副本亦已送交審核委員會成員以作記錄。

各委員會成員於該等會議之出席率如下：

成員	出席／舉行 會議數目 (總出席率)
林日輝先生 (主席)	3/3 (100%)
錢其武醫生	3/3 (100%)
梁潤輝先生	3/3 (100%)

## Corporate Governance Report

## 企業管治報告書

## BOARD COMMITTEES (cont'd)

**Works Performed**

The works performed by the members of Audit Committee in the Year are summarized below:

- i) reviewed and considered the Group accounts and financial statements for the year ended 31 December 2008, and interim and quarterly accounts for 2009;
- ii) reviewed, discussed and agreed with the Independent Auditors in respect of the audit fee for the year 2009; the terms of the engagement letters; the nature, scope of audit and reporting obligations for the Year;
- iii) reviewed and assessed the adequacy and effectiveness of the Group's financial reporting and controls, internal control procedures and risk management systems;
- iv) reviewed the corporate governance practices and monitored the progress of compliance of the Code;
- v) carried out annual review on the continuing connected transactions of the Company and their financial implication as well as to advise independent shareholders in respect of the refreshment of general mandate to issue and allot shares of the Company in their capacity as members of the independent board committee;
- vi) reviewed the overall performance of the Group for the year ended 31 December 2008;
- vii) reviewed the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget;
- viii) reviewed the changes of the Listing Rules from 2009 onwards that have direct relevance to the terms of reference of the Audit Committee; and
- ix) prepared and submitted to the Board an Audit Committee Report detailing the works performed by the Audit Committee for the Year, presented its findings and made recommendations for the Board's consideration.

On 11 March 2010, the Audit Committee reviewed the Group's accounts and draft financial statements for the Year.

## 董事委員會 (續)

**履行之工作**

審核委員會成員於本年度履行之工作概述如下：

- i) 審閱及省覽本集團截至二零零八年十二月三十一日止年度之賬目及財務報表，以及二零零九年之中期及季度賬目；
- ii) 與獨立核數師審閱、討論及商定二零零九年核數費用；本年度委聘書之條款；核數之性質、範圍及申報責任；
- iii) 審閱及評估本集團之財務匯報及監控、內部監控程序及風險管理系統是否足夠及有效；
- iv) 檢討企業管治常規及監控遵循守則之進度；
- v) 以獨立董事委員會之身份，對本公司之持續關連交易及其財務影響進行週年審閱以及就更新本公司發行及配發股份之一般授權向獨立股東提供意見；
- vi) 審閱本集團截至二零零八年十二月三十一日止年度之整體表現；
- vii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；
- viii) 審閱就二零零九年以來與審核委員會之職權範圍有直接關係之上市規則變更；及
- ix) 編製並向董事會呈交審核委員會報告，當中詳列審核委員會本年度已履行之工作，以及呈交其審核結果及向董事會提供建議以作考慮。

於二零一零年三月十一日，審核委員會已審閱本集團本年度之賬目及財務報表之草稿。

## Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES (cont'd)

#### Amendment of Terms of Reference

As a result of implementation of certain amendments to the Listing Rules effective on 1 January 2009, the terms of reference of the Audit Committee have been amended by deleting any reference to the "Qualified Accountant" (as defined by the former Rule 3.24 of the Listing Rules) as it is 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.

#### Remuneration Committee

##### Structure

The Remuneration Committee has been established with the role to assist the Board in reviewing and determining the framework or broad policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other topics as defined by the Board.

The Remuneration Committee comprises all INEDs, namely:

Mr. Leung, Yun-fai (*Chairman*)

Dr. David Chain, Chi-woo

Mr. Lam, Yat-fai

##### Function

The principal responsibilities of the Remuneration Committee are as follows:

- i) setting, reviewing and recommending to the Board for approving the Group's overall remuneration policy and strategy;
- ii) setting, reviewing and approving performance-based remuneration and individual remuneration packages for the Executive Directors and senior management including terms and conditions of employment as well as compensation payable due to loss or termination of office, and dismissal or removal for misconduct; and

### 董事委員會 (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，香港之上市公司再無須設立「合資格會計師」(定義見前上市規則第3.24條)一職，審核委員會之職權範圍已省去合資格會計師之任何相關部份。取而代之，該職權範圍現要求審核委員會，討論本公司會計及財務匯報職能之資源、員工之資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。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、適當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。

#### 薪酬委員會

##### 架構

薪酬委員會已成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬待遇或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

薪酬委員會由全體獨立非執行董事組成，彼等為：

梁潤輝先生 (主席)

錢其武醫生

林日輝先生

##### 職能

薪酬委員會之主要職責如下：

- i) 制訂、檢討及建議董事會批准本集團之整體薪酬政策及策略；
- ii) 制訂、檢討及批准以表現為考慮基礎之薪酬，以及執行董事及高級管理層之個別薪酬待遇，包括僱傭條款及條件，以及因離職或終止受僱及因行為不當而遭解僱或罷免所產生需支付之賠償；及

## Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES (cont'd)

#### Remuneration Committee (cont'd)

##### Function (cont'd)

- iii) recommending the Board on the remuneration of Non-executive Directors.

The Remuneration Committee's terms of reference can be found on the Group's website.

The Remuneration Committee would consult the Chairman and/or the CEO about its proposals on remuneration of other Executive Directors and seek internal and external professional advices if considered necessary.

##### Conduct of Meetings

The Remuneration Committee held a meeting on 9 March 2009 to consider and approve the annual remuneration of the Executive Directors for the Year.

Attendance of each committee member at the meeting is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Leung, Yun-fai ( <i>Chairman</i> )	1/1 (100%)
Dr. David Chain, Chi-woo	1/1 (100%)
Mr. Lam, Yat-fai	1/1 (100%)

The Company prepares and delivers meeting papers that include all relevant information about the meeting to the Remuneration Committee members at least 3 days prior to such meeting. Minutes drafted by the Company Secretary were circulated to the Remuneration Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Remuneration Committee members for records.

### 董事委員會 (續)

#### 薪酬委員會 (續)

##### 職能 (續)

- iii) 就非執行董事之薪酬向董事會提供意見。

有關薪酬委員會之職權範圍，可瀏覽本集團網頁。

薪酬委員會須就其他執行董事之薪酬建議諮詢主席及／或行政總裁，並在認為有需要時尋求內部及外界專業意見。

##### 會議之舉行

於二零零九年三月九日，薪酬委員會舉行會議，以考慮及批准本年度執行董事之年度酬金。

各委員會成員於該會議之出席率如下：

成員	出席／舉行 會議數目 (總出席率)
梁潤輝先生 (主席)	1/1 (100%)
錢其武醫生	1/1 (100%)
林日輝先生	1/1 (100%)

本公司編製及派發會議文件，內容包括會議時所需之相關資料，於該會議開會前最少三日提交予薪酬委員會成員。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予薪酬委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交薪酬委員會成員以作記錄。

## Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES (cont'd)

#### Remuneration Committee (cont'd)

##### Remuneration Policy

As the existing Executive Directors are employees of the subsidiaries of Chinese Estates Holdings Limited ("Chinese Estates"), the Company's holding company, so they are not entitled to any emoluments of the Company but a nominal annual remuneration of HK\$10,000 approved by the Remuneration Committee as a reward for their contribution to the Group.

The INEDs are not entitled to any other emoluments for holding office as the INEDs except for their entitlement of an annual remuneration of HK\$110,000 determined by the Board subject to annual review with reference to their duties and responsibilities as well as the prevailing market condition.

The Company has adopted a share option scheme since 2002 in order to attract, retain and motivate talented and recognized staffs, management and directors of the Group. There were no outstanding options at the beginning and at the end of the Year and no options were granted, exercised, cancelled or lapsed during the Year.

#### Nomination Committee

No Nomination Committee is established in view of the current business requirement of the Company. Currently, the Board is responsible for reviewing its composition, identifying and selecting suitable Board members, assessing independence of the INEDs, considering appointment or re-appointment of the Directors and succession planning for the Directors. The Board shall exercise its power under Bye-law 86(2) of the Bye-laws of the Company to appoint any person as a director either to fill as casual vacancy or as an addition to the Board whenever the business of the Company requires.

### MANAGEMENT FUNCTIONS

The Executive Directors have defined clear directions on powers of management and delegate daily management and administration functions to the management. The functions reserved to the Board and those delegated to the senior management are reviewed from time to time. The Company would formalize the division of responsibility between the Board and the management when the operational requirement of the Group justifies such division.

### 董事委員會 (續)

#### 薪酬委員會 (續)

##### 薪酬政策

由於現時之執行董事為本公司之母公司Chinese Estates Holdings Limited (「華置」) 附屬公司之僱員，故彼等不會獲得本公司任何薪酬，惟經薪酬委員會批准獲發象徵式每年10,000港元之酬金，作為彼等對本集團之貢獻的回報。

獨立非執行董事除每年享有110,000港元之酬金外，並無就擔任獨立非執行董事收取任何其他薪酬。有關薪金須由董事會參考彼等之職務與責任以及當時市況而每年作出檢討。

本公司自二零零二年採納一項認股權計劃，以吸引、保留及激勵有才能及獲肯定的本集團員工、管理層及董事。本年初及年終並無認股權尚未行使，以及於本年度內亦無授出、行使或註銷認股權，亦無認股權已經失效。

#### 提名委員會

鑑於本公司現時之業務狀況，本公司並無成立提名委員會。目前，董事會負責檢討其組成、物色及甄選合適之董事會成員，評估獨立非執行董事之獨立性，考慮委任或重新委任董事，以及制訂董事之接任安排。董事會將按本公司之業務需要，根據本公司細則第86(2)條行使其權力，委任任何人士填補董事空缺或作為新增董事會成員。

### 管理層職能

執行董事就管理層的權力，給予清晰的指引，並指派管理層處理日常管理及行政職能。董事會所保留與委派予高級管理層之職能乃不時予以檢討。倘本集團之規模發展至須劃分董事會與管理層之職責時，本公司將制訂該等職責劃分。

## Corporate Governance Report

## 企業管治報告書

### INDEPENDENT AUDITORS

Messrs HLB Hodgson Impey Cheng (“HLB”) were re-appointed as the Independent Auditors by shareholders at the 2009 annual general meeting of the Company. In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit work unless it has been pre-approved by the Audit Committee pursuant to the Company’s non-audit services policy.

Independent Auditors were engaged on an ad hoc basis to provide non-audit service, such as to provide a confirmation letter to the Board and to the Stock Exchange to confirm, among others, that the continuing connected transactions have not exceeded the stipulated cap for the transactions, as part of the process for the annual review of the transactions as required under Chapter 14A of the Listing Rules during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditors for non-audit service will not harm their independence or cause any bias on audit works for the presentation of financial statements of the Company. During the Year, the fee for engaging Independent Auditors to carry out works in connection with the annual review of the continuing connected transactions amounted to HK\$20,000.

At the annual general meeting held on 27 May 2009, HLB were re-appointed by the shareholders as the Independent Auditors of the Company. The Audit Committee reviewed the terms of engagement letter of Independent Auditors in early December, 2009 and agreed with HLB the audit fees for auditing the financial statements of the Group for the Year at HK\$330,000.

It is recommended that HLB shall be re-appointed as the Independent Auditors for the financial year 2010 at a fee to be agreed with the Board.

### 獨立核數師

國衛會計師事務所(「國衛」)已獲股東於本公司二零零九年股東週年大會上續聘為獨立核數師。為保持獨立核數師之獨立性及客觀性(就此而言包括與核數師行共同控制、擁有或管理之任何實體、或合理及知情第三方在接獲一切相關資料後合理認為在國家或國際方面屬核數師行一部份之任何實體),其將不會受聘進行非核數工作,除非已根據本公司之非審核服務政策獲審核委員會事先批准。

獨立核數師於特別情況下提供非審核之服務,如年內按上市規則第14A章規定提供確認書予董事會及聯交所,以確認(連同其他事項)持續關連交易並無超過該交易既定之上限,作為該交易週年審閱之部份程序。本公司之基本政策乃確保獨立核數師對非審核服務之參與不會損害其獨立性或導致編製本公司財務報表時構成審核偏頗。年內,聘任獨立核數師就持續關連交易週年審閱所進行之工作費用為20,000港元。

於二零零九年五月二十七日舉行之股東週年大會上,國衛獲重選為本公司之獨立核數師。審核委員會於二零零九年十二月初審閱獨立核數師之聘書之條款,並與國衛商定審核本年度本集團財務報表之審核費用為330,000港元。

茲建議續聘國衛為本公司二零一零年財政年度之獨立核數師,費用有待與董事會磋商。

## Corporate Governance Report

## 企業管治報告書

### FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with generally accepted accounting standards published by the Hong Kong Institute of Certified Public Accountants. A statement by the Independent Auditors about their reporting responsibilities for the Year is set out in this annual report.

The Independent Auditors did not report for the Year that there were any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

### INTERNAL CONTROL

The Directors are responsible for maintaining the system of internal control of the Group and reviewing its effectiveness regularly. The internal control system covers financial, operational and compliance controls and risk management functions. During the Year, with the assistance of the Audit Committee, the Directors had carried out an annual review on internal control system and considered that the system was effective and adequate. The Directors will continue to enhance the system to cope with the changes in business environment with reference to the recommendations of the Audit Committee.

### 財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以盡早發布為基礎，而中期報告及年報，連同其他股價敏感資料公布及財務披露則根據上市規則之規定而公布。

管理層向董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

於年內，董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據香港會計師公會公布而普遍被採用之會計準則。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。

獨立核數師並無就本年度有關任何重大涉及可能對本集團持續經營能力存疑之事件或狀況之重大不確定因素作出報告。

### 內部監控

董事負責維持本集團之內部監控系統，並定期檢討其成效。內部監控系統包括財務、運作與合規之監控以及風險管理職能。本年度，董事在審核委員會之協助下，已對本集團現行內部監控系統進行週年審閱並認為系統有效及足夠。董事將繼續提升系統質素，並參考審核委員會之建議，以應付營商環境之轉變。

## Corporate Governance Report

## 企業管治報告書

### SHAREHOLDERS' RIGHTS

The Company is committed to safeguard shareholders' and the Company's interests as a whole and encourages shareholders to attend general meetings of the shareholders to participate in the important decisions of the Company for which the shareholders' approval is required under the Listing Rules and the laws of Bermuda. The Company regards general meetings of the shareholders as an important event as it provides an important opportunity for direct communication between the Board and the shareholders. The Directors, including the INEDs and the Independent Auditors were available to answer questions at the annual general meeting held in May 2009. Members of the independent board committee were also available at the special general meeting held in July 2009 to address shareholders' queries.

During the Year, an important amendment of the Listing Rules is the implementation of poll voting in lieu of show of hands at all general meetings of a listed company. It is believed that the voting by poll can fully reflect the proprietary rights and interests of the shareholders and is a fairer method of determination on business matters by the shareholders than voting on a show of hands at the general meetings. Furthermore, in compliance with the new requirement under the Listing Rules, notice of the annual general meeting, together with the annual report and circular, was sent to the shareholders more than 20 clear business days before the meeting to allow more time for the shareholders to digest information in the annual report and circular, and to consider whether joining the meeting or not.

To comply with the new requirement, the Deputy Chairman of the Board, when acting as the Chairman of the annual general meeting held in May 2009, and the chairman of the special general meeting held in July 2009 took the initiative to demand for a poll at the commencement of the meetings and explained the detailed procedures for conducting a poll to the shareholders. All resolutions were put to vote and passed by poll under the scrutiny of the independent share registrar. The poll results were made public by means of public announcements which were uploaded to the websites of the Company and the Stock Exchange.

Statutory announcements, financial and other information of the Group are made available on the Company's website, which is regularly updated.

Shareholders may put their enquiries to the Board and also put forward proposals at general meetings by way of a written notice addressed to the Company Secretary at the principal office of the Company in Hong Kong.

### 股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵彼等出席股東大會，以參與上市規則及百慕達法例要求股東批准之重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要事項。董事（包括獨立非執行董事）及獨立核數師均已出席二零零九年五月舉行之股東週年大會及獨立董事委員會會員亦已出席於二零零九年七月舉行之股東特別大會並回答提問。

年內，一項上市規則之重要修訂為於上市公司之所有股東大會上，實行以投票方式表決以代替舉手方式表決。以投票方式表決相信能全面反映股東之財產權益，且於股東大會上作為股東決定業務之辦法，將較舉手方式表決更為公平。再者，以符合上市規則之新規定，召開股東週年大會之通告，連同年報及通函，已在開會前，超過二十個營業日發送予股東，以讓股東有更多時間消化年報及通函之資料，及考慮是否參與會議。

為符合該新規定，董事會副主席，擔任二零零九年五月舉行之股東週年大會之主席及於二零零九年七月舉行之股東特別大會之主席，於會議開始時主動要求以投票方式表決，並向股東解釋進行投票表決之詳細程序。在獨立股份過戶登記處之監察下，所有議案以投票方式表決及通過。投票方式表決之結果以公布之方式，已在本公司及聯交所之網頁上載公開。

本集團之法定公布、財務及其他資料可於本公司網頁瀏覽，並定期更新。

股東可向董事會作出提問，並以書面通知方式致本公司於香港之主要辦事處向公司秘書提交於股東大會提呈之建議。

## Corporate Governance Report

## 企業管治報告書

### INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a corporate website ([www.g-prop.com.hk](http://www.g-prop.com.hk)) to make the Group's information, statutory announcements, and other financial and non-financial information available on the internet to facilitate its communication with shareholders.

The Company welcomes suggestions from investors and shareholders, and invites them to share their views and suggestions by contacting the investor relations team at [investor.relations@chineseestates.com](mailto:investor.relations@chineseestates.com).

### CODE ON CORPORATE GOVERNANCE PRACTICES

Since 2005, the Company has adopted the code provisions set out in the Code to enhance corporate governance in the interests of the Company and its shareholders.

The Company had applied the principles and complied with the requirements of the Code throughout the Year. Having carried out the review, none of the Directors was aware of any information that would reasonably indicate that the Company was not during the Year, incompliant with the Code except for certain very minor deviation in form as follows:-

### 投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東（包括機構投資者）定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁([www.g-prop.com.hk](http://www.g-prop.com.hk))，使股東可透過互聯網取得本集團之資料、法定公告及其他財務和非財務資料，加強與股東之溝通。

本公司歡迎投資者及股東提出意見，並誠邀彼等聯絡投資者關係部，分享彼等之意見及建議。投資者關係部之電郵為 [investor.relations@chineseestates.com](mailto:investor.relations@chineseestates.com)。

### 企業管治

自二零零五年起，本公司已採納載於守則之守則條文，以提高企業管治對本公司及其股東之利益。

本公司於本年度一直全面應用守則所列之原則，並遵守該守則之規定。在作出審閱後，董事會概不知悉有任何資料可合理顯示本公司於本年度內並無遵守該守則。惟下述若干在形式上極輕微偏離者除外：—

## CODE ON CORPORATE GOVERNANCE PRACTICES (cont'd)

Under code provision A.2 in Appendix 14 of the Listing Rules, the roles of chairman are management of the board, among other things, ensuring that all directors are properly briefed on issue arising at board meetings and the directors receive adequate information, which must be completed, reliable and in a timely manner. Although the chairman of the Company has not been filled since 1 June 2007, the Deputy Chairman of the Company has been acting as the chairman and fulfilled its role and function properly. Accordingly, the Board considers that the code provision under A.2 in Appendix 14 has been complied with in substance, notwithstanding minor deviation in terms.

Under code provision A.4.1 in Appendix 14 of the Listing Rules, non-executive directors should be appointed for specific terms and subject to re-election. The Independent Non-executive Directors of the Company, however, are not appointed for any specific term. Notwithstanding that, they are subject to retirement by rotation at the Company's annual general meeting at least once every three years in accordance with the Company's Bye-laws. The Board is of the view that the term of the Independent Non-executive Directors is specific enough in substance, notwithstanding minor deviation in form.

Under code provision C.2.2 in Appendix 14 of the Listing Rules, the board of the listed company should consider the adequacy of resources, qualifications and experience of staff of the listed company's accounting and financial reporting function, and their training programmes and budget as part of internal control of the listed company in the annual corporate governance review. Under code provision C.3.3(g) in Appendix 14 of the Listing Rules, the terms of reference of the audit committee of the listed company should include the duty to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the listed company's accounting and financial reporting function, and their training programmes and budget. Although the Company does not

## 企業管治 (續)

根據上市規則附錄十四之第A.2條守則條文，主席一職為董事會之管理層，主席應（其中包括）負責確保向全體董事妥為簡介董事會會議上商討之事宜，並確保董事及時收到充分的資訊，而有關資訊必須完整及可靠。儘管本公司主席一職自二零零七年六月一日以來懸空，本公司副主席已暫代主席之位並恰當地履行主席之職責及職務。故此，董事會認為在實質上已遵守附錄十四之第A.2條守則條文，儘管在條文上有輕微之偏離。

根據上市規則附錄十四之第A.4.1條守則條文，非執行董事須按特定任期委任及須膺選連任。然而，本公司獨立非執行董事並非按任何特定任期委任。儘管如此，彼等須根據本公司之公司細則最少每三年於本公司股東週年大會上輪席告退一次。董事會認為在實質上，獨立非執行董事之任期已足夠特定，儘管在形式上有輕微之偏離。

根據上市規則附錄十四之第C.2.2條守則條文，上市公司董事會於每年企業管治週年審閱時，應考慮上市公司在會計及財務匯報職能方面的資源、員工之資歷及經驗與員工所接受的培訓課程及有關預算是否足夠，作為內部監控之一部份。根據上市規則附錄十四之第C.3.3(g)條守則條文，上市公司審核委員會之職權範圍內之責任應包括與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統，包括考慮上市公司在會計及財務匯報職能方面的資源、員工之資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。儘管本公司現時

## Corporate Governance Report

## 企業管治報告書

### CODE ON CORPORATE GOVERNANCE PRACTICES (cont'd)

for the time being engage any staff, the Board has secured the assistance of Chinese Estates, the holding company of the Company, to provide and to share with its accounting and financial reporting resources, including human resources, accounting programmes and other information system facilities to ensure that the Company has fulfilled the legal and the Listing Rules' requirements on the preparation of financial accounts reporting and internal control. The Board believed that such arrangement with Chinese Estates will substantially reduce the cost of the Company in financial accounts reporting and internal controls. The Audit Committee had carried out the reviews in December 2009 on the adequacy of resources, qualifications and experience of the managerial staff of Chinese Estates who are responsible for accounting, financial reporting and internal control functions. Various training programmes had been conducted by the well-known audit firms for the managerial staff of Chinese Estates to enhance their knowledge, skill and work quality on accounting, financial reporting and internal control. The Board was satisfied with the current accounting labour resources, qualifications and experience of Chinese Estates. The Board shall continue to use its best endeavours to ensure the high efficiency and effectiveness and independence of the financial reporting system and internal control system of the Company under the aforesaid arrangement with Chinese Estates.

### CONCLUSION

Notwithstanding minor deviation in form, the Company trusts that it has achieved high standards of corporate governance during the Year. The Company believes that corporate governance principles and practices are essential to the business communities. Ongoing effort will be put to review its corporate governance practices from time to time so as to accommodate the changing circumstances. The Company will strive to maintain, strengthen and improve the standard and quality of its corporate governance.

### 企業管治 (續)

並無員工，董事會已取得母公司華置提供及分享其會計及財務報告資源，包括人力資源、會計程式及其他資訊系統設施，使本公司能履行法律及上市規則就預備財務會計報告及內部監控之規定。董事會相信與華置達成此安排將能大大減少本公司於財務會計報告及內部監控之成本。審核委員會已於二零零九年十二月進行審閱，有關華置高級員工負責在會計、財務報告及內部監控職能方面的資源、員工資歷及經驗是否足夠。由著名會計師事務所提供之多項培訓課程予華置高級員工以加強彼等於會計、財務報告及內部監控的知識、技巧及工作質素。董事會滿意華置現時之會計員工的資源、資歷及經驗。董事會亦會繼續盡最大努力按照上述與華置之安排下確保本公司之財務會計報告及內部監控系統具高效率及效益以及獨立性。

### 總結

儘管在形式上有輕微之偏離，本公司相信於本年度已達到高水平之企業管治。本公司相信企業管治原則及常規對商業社會而言至關重要，故本公司亦將持續不時檢討其企業管治常規，以符合環境上之轉變。本公司將致力維持、加強及改善其企業管治標準及質素。