

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### MAKING CORPORATE GOVERNANCE A PART OF PYI CULTURE

PYI Corporation Limited (“PYI” or the “Company”, together with its subsidiaries, the “Group”) has recognised the importance of transparency and accountability, and believes that shareholders of PYI can benefit from good corporate governance.

To ensure that corporate governance is part of corporate culture, PYI has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and has adopted some of the recommended best practices for the year ended 31 March 2011.

PYI has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules applicable to PYI directors as well as senior management of PYI. After having made specific enquiries, all directors and senior management of PYI have confirmed their compliance with the required standard set out in the Model Code during this financial year.

During the year, PYI has continued to keep abreast of various amendments of the Listing Rules. PYI has also responded to the consultation paper issued by Hong Kong Exchanges and Clearing Limited on review of the Code on Corporate Governance Practices and Associated Listing Rules which is yet to be concluded. PYI also believes that it is effective to enhance corporate governance through regular trainings within the Group. This year, we have invited various experts to provide training to our directors and senior management on various topics including insurance and risk management. In addition to regular attendance at Board and Board committees meetings and in order to have a better understanding of our business operations, directors including all independent non-executive directors have participated field trips to Yichang and Wuhan in September 2010 and Nantong, Jiaying and Yangkou in April 2011.

Since the launch of PYI Code of Conduct in October 2009, all PYI directors, senior management and staff have been under specific obligations to comply with the ethics and principles by which our business is conducted and have been allowed to report actual or potential violations of the Code through stated procedure. Non-compliance with the Code will result in disciplinary action. During this financial year, we are not aware of any non-compliance with the Code.

### 企業管治植根保華文化

保華集團有限公司(「保華」或「本公司」，連同其附屬公司稱「本集團」)深明透明度及問責性之重要性，並相信股東可從良好企業管治中獲益。

為求企業管治能植根在企業文化，保華於截至2011年3月31日止年度，一直實踐及遵守《香港聯合交易所有限公司(「聯交所」)證券上市規則》(「上市規則」)附錄十四中的《企業管治常規守則》之原則及所有適用條文，並採用某些建議最佳常規。

同時，保華亦已經採納《上市規則》附錄十中的《上市公司董事進行證券交易的標準守則》(「標準守則」)，而《標準守則》亦適用於保華董事及高級管理層。經具體查詢，全體保華董事及高級管理層均確認在本財政年度一直有遵守《標準守則》列載之所需標準。

年內，保華繼續緊貼《上市規則》的各項修訂條文。保華亦就香港交易及結算所有限公司對檢討企業管治常規守則及相關上市規則的諮詢文件，作出回應，而該諮詢文件尚未定案。保華也相信，通過集團的定期培訓，有效提升企業管治。於本年度，我們已邀請多位專家，就各種議題(包括保險和風險管理)向本公司董事及高級管理層提供培訓。為着更能了解我們的業務運作，除定期出席董事局及董事局委員會會議，董事包括所有獨立非執行董事於2010年9月到宜昌及武漢實地考察，並於2011年4月到南通、嘉興及洋口實地考察。

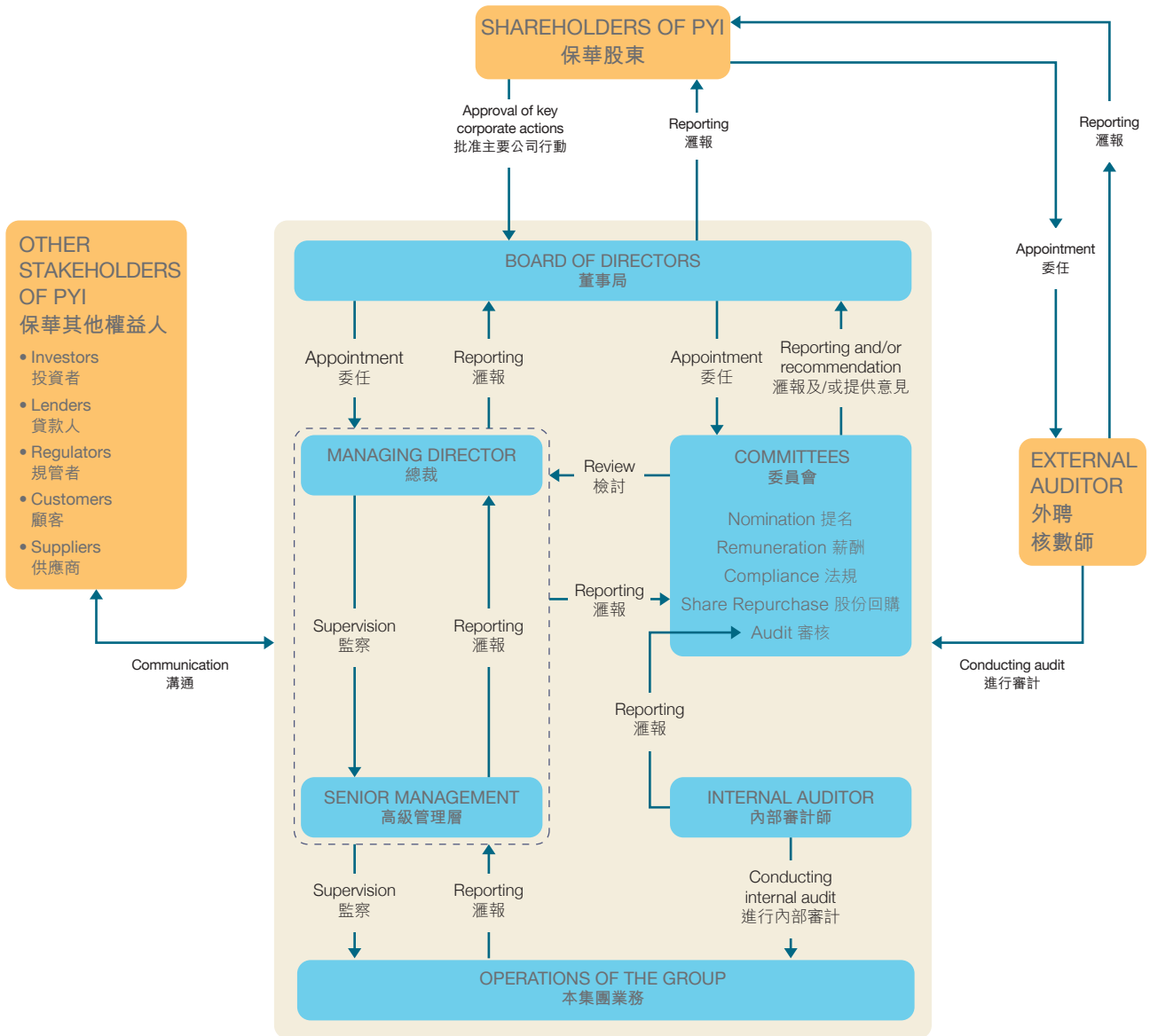
自2009年10月推行保華行為守則以來，所有保華董事、高級管理層和員工已按特定責任，遵守經營公司業務的道德守則和原則，並可透過指定程序，報告實際或潛在違規情況。而違反守則會受到紀律處分。在本財政年度內，我們沒有發現任何不遵守該守則的情況。

## CORPORATE GOVERNANCE STRUCTURE

The structure below shows the key parties involved in our corporate governance practices and policies within the Group.

## 企業管治架構

本集團之企業管治常規及政策，涉及之主要成員架構如下：



■ Internal Parties 內部團隊    
   The Group 本集團    
   External Parties 外來團隊

## SHAREHOLDERS

### Ensuring equal treatment

As part of corporate governance, PYI recognises the importance of ensuring that shareholders' rights are protected. In accordance with PYI's bye-laws and the applicable laws of Bermuda, all PYI shareholders are entitled to attend or be represented by proxy and vote at general meetings. PYI shareholders holding not less than one-tenth of the paid up capital of PYI carrying the right of voting at general meetings have the right to require a special general meeting to be called and propose transaction of business. All PYI shareholders have the right to propose person for election as director of PYI. The relevant procedure for proposing a person for election as director of PYI is set out in the Letter of our Board in the circular for re-election of directors.

Voting on resolutions put forward at PYI's general meeting during the year has been taken by way of poll and all poll results have been published and posted on the websites of PYI and of the Stock Exchange.

During the year 2010/11, PYI held two general meetings. All resolutions put to shareholders were passed at the two general meetings. The resolutions and the percentage of votes cast in favour of the resolutions relating to those items are set out below:

## 股東

### 確保一視同仁

作為企業治理的一部分，保華確認保障股東權益的重要性。根據保華之公司細則及百慕達適用法例，所有保華股東均有權出席或委派代表出席，並於股東大會上投票。持有不少於十分之一保華已繳股本，並可於股東大會上投票之保華股東，有權要求召開股東特別大會及提呈事務。所有保華股東皆有權推薦人選，參選為保華之董事。有關推薦個別人士參選保華董事之程序，已載於有關重選董事的通函中之董事局函件內。

年內，保華股東大會的決議案均以投票的方式表決。而所有投票的結果已在保華網站和聯交所網站上刊載。

於2010/11年度，保華召開兩次股東大會。所有提呈予股東之議案，於股東大會上獲得通過。所提呈之議案及贊成有關議案項目之票數比率，列載如下：

## PYI'S GENERAL MEETINGS HELD DURING THE YEAR

### 在本年度舉行的保華股東大會

Annual General Meeting on 10 September 2010 於2010年9月10日舉行的股東週年大會	% of Votes Cast For 贊成票數的比率
✓ Approval of the 2010 audited accounts 通過2010年度的經審核賬目	99.47%
✓ Re-election of Mr Lau Ko Yuen, Tom as director 重選劉高原先生為董事	99.26%
✓ Re-election of Mr Kwok Shiu Keung, Ernest as director 重選郭少強先生為董事	99.47%
✓ Re-election of Mr Leung Po Wing, Bowen Joseph as director 重選梁寶榮先生為董事	99.47%
✓ Approval of directors' fees in aggregate amount of not exceeding HK\$4,000,000 per annum for all directors 通過給予全體董事總額不超過每年4,000,000港元的董事袍金	99.47%
✓ Re-appointment of Deloitte Touche Tohmatsu as auditor and authorisation to Board to fix their remuneration 再度委任德勤•關黃陳方會計師行為核數師及授權董事會釐訂其酬金	99.37%

## PYI'S GENERAL MEETINGS HELD DURING THE YEAR (continued)

在本年度舉行的保華股東大會(續)

Annual General Meeting on 10 September 2010 於2010年9月10日舉行的股東週年大會	% of Votes Cast For 贊成票數的比率
✓ Grant of general mandate to directors to issue shares 給予董事發行股份的一般授權	74.41%
✓ Grant of general mandate to directors to repurchase shares and warrants 給予董事回購股份及認股權證的一般授權	100%
✓ Extension of the share issue mandate to directors 擴大授予董事發行股份之權力	95.45%
✓ Refreshment of the 10% limit on grant of options under PYI's share option scheme 更新根據保華購股權計劃授出購股權之10%限額	95.39%
✓ Approval of the refreshment of the 10% limit on grant of options under the share option scheme of Paul Y. Engineering Group Limited 批准更新根據保華建業集團有限公司購股權計劃授出購股權之10%限額	95.39%
Special General Meeting on 14 March 2011 於2011年3月14日舉行的股東特別大會	
✓ Approval of the disposal of 50.1% interest in Jiangsu YangKou Port Development and Investment Co., Ltd. 批准出售江蘇洋口港投資開發有限公司50.1%權益	99.44%

### Maintaining efficient shareholder communications and participation

PYI regards its shareholders' meetings as valuable forum for PYI shareholders to raise comments and exchange views with the Board face to face. All our directors and senior management and representative from external auditor will make effort to attend shareholders' meetings and address queries from shareholders. Also, simultaneous translations in English and Cantonese have been arranged during the meetings to ensure that the shareholders understand the content of the issues discussed during the conduct of the meetings.

Since 2005, an "Address by Managing Director" session led by our Chairman and presented by our Managing Director has been included in all general meetings in addition to standard meeting agenda to enhance PYI shareholders' understanding of PYI's businesses and latest business initiatives.

### 維繫有效益的股東溝通及參與

保華視其股東大會為保華股東向董事局提出建議及交換意見的一個寶貴平台。所有保華的董事、高級管理層和外聘核數師代表皆盡量撥冗出席股東大會，以回應股東的提問。此外，在會議期間，我們已安排英語及廣東話的即時傳譯服務，以確保股東了解在會議進行時所討論問題的內涵。

為加強保華股東對保華的業務及最新業務計劃有更深認識，自2005年起，我們在所有股東大會的一般會議議程以外，加入一個由主席主持、而由總裁演說的「總裁報告」環節。

Apart from holding shareholders' meetings, PYI also makes endeavour to maintain effective communication with all shareholders through other channels such as the publication of annual and interim reports, announcements, circulars as well as news releases (all in bilingual languages) so as to provide extensive information on the Group's activities, financial position, business strategies and developments to enable them to make informed decision on matters relating to their investment and the exercise of their rights as shareholders of PYI. Such information is also available on PYI website – [www.pyicorp.com](http://www.pyicorp.com). Our website is an effective mean of communicating with shareholders. Any shareholders who have questions or comments on what we are doing are most welcome to contact us at any time through the website. We will try our best to answer the questions in a short time.

At pages 68 to 72 of this annual report, we have designated a section called "PYI and Shareholders" which serves to provide shareholders with more information such as the shareholding of PYI and details of top shareholders as at the year end.

## **BOARD AND BOARD COMMITTEES**

### ***Providing responsible and efficient leadership***

The primary role of the board of directors of PYI ("Board") is to maximize long-term shareholder value. It assumes the responsibility for providing effective and responsible leadership and control of the Company, and directing and supervising the Company's affairs in pursuit of the Group's strategic objectives.

The Board, led by the Chairman, approves and monitors group-wide strategies and policies, evaluates the performance of the Group and supervises the management.

To enhance efficiency, the Board has delegated the Managing Director the day-to-day leadership and management of the Group. The senior management of the Group, on the other hand, is responsible for the management and administrative functions and the day-to-day operations of the Group under the supervision of the Managing Director. The corporate governance structure of PYI as disclosed in this report at page 45 shows the detailed relationship between the Board, the Managing Director and the senior management as well as other stakeholders.

保華為確保所有股東可就其投資作出明智的決定，以及行使其作為保華股東的權利，除召開股東大會外，亦透過刊發年度及中期報告、公告、通函以及新聞稿（全以雙語形式），努力與所有股東以不同之通訊渠道維持有效的溝通，以提供本集團活動、財務狀況、業務策略和發展的廣泛資訊，而保華網站—[www.pyicorp.com](http://www.pyicorp.com)亦有登載此等資訊。我們的網站是一個與股東溝通的有效媒介。任何股東就我們所作出事項有任何疑問或意見，可透過網站隨時與我們聯繫，我們將竭盡所能在短時間內回答問題。

於本年報的第68至72頁，我們在「保華與股東」一節中，為股東提供更多資料，如保華股權的資料及於年結日首幾名股東的詳情。

## **董事局及董事局委員會**

### ***給予負責任及有效率的領導***

保華董事局（「董事局」）的主要角色是為股東爭取最高之長遠利益，肩負給予既有效又負責任的領導及監控本公司之責任，同時帶領及監督本公司之業務朝著本集團的策略性目標發展。

董事局在主席的領導下，批准和監管整個集團的策略和政策、評估本集團的表現，以及監察管理層工作。

為強化效率，董事局已將本集團日常領導及管理的權力，下放予總裁負責。另一方面，本集團高級管理層在總裁監管下，肩負管理和行政職能的責任，以及履行本集團日常營運的職責。載於本報告第45頁的保華企業管治架構，披露董事局、總裁、高級管理層與其他權益人的詳細關係。

Below is a summary of specific matters which are reserved for the Board:

以下是董事局專責事務的摘要:

## SUMMARY OF SPECIFIC MATTERS RESERVED FOR THE BOARD

### 董事局專責事務的摘要

- ✓ Financial reporting and control  
財務申報和監控
- ✓ Equity fund raising  
資本籌措
- ✓ Recommendation/declaration of dividend or other distributions  
股息或其他分派的建議或宣派
- ✓ Notifiable and connected transactions under the Listing Rules  
《上市規則》所述的須予公佈及關連交易
- ✓ Capital reorganisation or other significant changes in the capital structure of the Group  
資本重組或本集團資本結構的其他重大改變

### **Directors' responsibility for the consolidated financial statements**

The Board also acknowledges their responsibility for preparing the consolidated financial statements of the Group and for ensuring that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable standards.

The statement of the auditor of the Company concerning their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 88 and 89 of this annual report.

### **Creating success by way of independent governance**

As at the date of this report and during the financial year 2010/2011, our Board is composed of 7 directors and 1 alternate director including 5 independent non-executive directors, representing more than two-third of the Board, which exceeds the requirement under the Listing Rules. Also, a majority of the members of the Board committees are independent non-executive directors.

### **董事對綜合財務報表的責任**

董事局確認有責任編制本集團綜合財務報表，並確保在編制本集團綜合財務報表時按照法定規則和合適的準則。

本公司獨立核數師就本集團綜合財務報表發表有關其中報責任的聲明，載列於本年報第88及89頁獨立核數師報告內。

### **以獨立的管治締造佳績**

於本報告日期及於2010/2011財政年度，本集團的董事局由七位董事及一位替任董事組成，當中包括五位獨立非執行董事，佔董事局成員三分之二以上，這超過《上市規則》的規定。而董事局委員會之成員，大部分亦為獨立非執行董事。

**BOARD OF DIRECTORS 董事局**

(as at the date of this report 於本報告之日)

**5 Independent Non-Executive Directors**  
**獨立非執行董事**

Dr Chow Ming Kuen, Joseph 周明權博士 (*Chairman*主席)  
 Mr Kwok Shiu Keung, Ernest 郭少強先生  
 Mr Chan Shu Kin 陳樹堅先生  
 Mr Leung Po Wing, Bowen Joseph 梁寶榮先生  
 Mr Li Chang An 李昌安先生



**1 Executive Director**  
**執行董事**

Mr Lau Ko Yuen, Tom  
 劉高原先生  
 (*Deputy Chairman &*  
*Managing Director*  
 副主席兼總裁)



**1 Non-Executive Director**  
**非執行董事**

Dr Chan Kwok Keung, Charles  
 陳國強博士  
 Mr Chan Yiu Lun, Alan 陳耀麟先生  
 (*Alternate to*  
*Dr Chan Kwok Keung, Charles*  
 替任陳國強博士)

In July 2010, Mr Chan Yiu Lun, Alan was appointed as an alternate director to Dr Chan Kwok Keung, Charles. There was no other appointment of director during the year. Brief biographical details of the above directors are set out on pages 36 to 40 of this annual report and are also available on PYI website – www.pyicorp.com.

For all newly appointed directors, a comprehensive and tailored induction programme is administered to ensure full awareness of responsibilities under statute and common law, PYI Code of Conduct, the Listing Rules and other regulatory requirements and the business and governance policies of the Group.

The majority composition of independent non-executive directors (including one who has appropriate professional qualifications, or accounting or related financial management expertise, as required by the Listing Rules) ensures that the Board has a strong independent element to exercise independent judgement and provide sufficient check and balance for the interests of all shareholders.

Pursuant to the requirement in the Listing Rules, the Company has received a written confirmation from each independent non-executive director of his independence to the Company. The Company considers all of the independent non-executive directors to be independent.

Each of the Board members is totally unrelated to each other and with the senior management in every aspect including financial, business, or family except the father and son relationship between Dr Chan Kwok Keung, Charles and his alternate director, Mr Chan Yiu Lun, Alan.

於2010年7月，陳耀麟先生獲委任為陳國強博士的替任董事。年內，概無其他董事獲委任。上述各位董事的簡介詳情載於本年報的第36至40頁，有關資料亦已登載保華網站—www.pyicorp.com。

我們會正式給予所有新委任董事一個全面兼特為其而設的就任須知計劃，以確保他們完全知悉其在法規及普通法、保華行為守則、《上市規則》及其他監管規定，以及本集團的業務和管治政策下的職責。

由獨立非執行董事(包括一名具備適當的專業資格，或者如同《上市規則》下要求具備適當的會計或相關財務管理專長的董事)作為大多數成員，可確保董事局具有強大的獨立元素作出獨立判斷，並就股東的利益而言，提供足夠制衡。

根據《上市規則》之要求，本公司已收到每名獨立非執行董事就著其獨立性之書面確認。而本公司亦視所有獨立非執行董事為獨立人士。

除了陳國強博士與其替任董事陳耀麟先生為父子外，董事局每一名成員彼此之間以及與高級管理層之間，在各方面包括財務、業務或家庭等方面均互無關連。

All Board members have complied with the requirement of Securities and Futures Ordinance regarding disclosure of their respective interests in PYI and its associated corporations during the year. PYI directors' interests and short positions in shares, underlying shares and debentures of PYI and its associated corporations are disclosed in the Directors' Report on pages 80 and 81 of this annual report.

Further, each director is required to make disclosure of his interests or potential conflict of interests, if any, in any proposed transactions or issues discussed by the directors at the Board meetings (and abstained from voting on the relevant resolution as appropriate) and to notify changes in personal particulars to the Company in a timely manner. During the year, no directors have interest or potential interest in any proposed transactions or issues except their own remuneration on which they had abstained from voting.

Further, as stipulated by PYI's bye-laws, each director (including non-executive director) is required to retire by rotation at least once every three years and thus seek re-election at the annual general meeting; and any directors appointed during the year by the Board following the recommendation of the Nomination Committee stand for election at the first general meeting after their appointment.

In the forthcoming annual general meeting, Dr Chow Ming Kuen, Joseph, Mr Chan Shu Kin and Mr Li Chang An will retire by rotation. Except Dr Chow Ming Kuen, Joseph who did not offer himself for re-election, the remaining retiring directors, being eligible, seek re-election. The respective biographies of the retiring directors offer for re-election are set out in the Letter of our Board in the circular for re-election of directors.

年內，所有董事局成員皆遵守證券及期貨條例之要求，披露彼等各自於保華及其相聯法團的權益。保華董事於保華及其相聯法團之股份、相關股份及債券的權益及淡倉載於本年報第80及81頁的董事局報告書內。

再者，每名董事均須於董事局會議審議交易或動議時，申報其（如在建議的交易或事項中）涉及的任何利益或潛在的利益衝突（亦須在適當情況下對有關決議案放棄表決權），並須適時通知本公司有關個人資料詳情的變動。年內，除彼等之袍金（有關董事已放棄投票權）外，並無董事於任何建議交易或事項中涉及利益與潛在利益。

另外，依照保華之公司細則規定，每位董事（包括非執行董事）須至少每三年輪席退任一次，並可在股東週年大會上膺選連任；而任何在年內經提名委員會推薦後，由董事局委任的董事，均須在他們委任後的首次股東大會上接受選舉。

於即將舉行之股東週年大會，周明權博士、陳樹堅先生及李昌安先生將輪席退任。除周明權博士不欲膺選連任外，其餘退任董事均符合資格重選，並尋求膺選連任。彼等尋求膺選連任之退任董事之履歷載於有關重選董事的通函中之董事局函件內。



**SUCCESSFUL RE-ELECTION AT 2010 ANNUAL GENERAL MEETING**

順利在2010年股東週年大會上獲重選

**Retired by rotation**  
輪席退任

**Mr Lau Ko Yuen, Tom, Mr Kwok Shiu Keung, Ernest and Mr Leung Po Wing, Bowen Joseph**  
劉高原先生、郭少強先生及梁寶榮先生

- ✓ a term of approximately three years until the conclusion of the annual general meeting to be held in 2013  
任期約三年，直至2013年股東週年大會結束為止

**Endeavouring to strong independence**

In addressing the interest of PYI shareholders, PYI has emphasised transparency and accountability. Fittingly, the Group's goal has been conducting businesses that are overseen by those with broad experience while maintaining objectivity and independent views. Endeavouring to clearly delineate positions of responsibility, the Chairman and Managing Director of PYI are held by two separate individuals. Set out below are the respective responsibilities of the Chairman and the Managing Director of PYI.

**堅守強大獨立性**

為要照顧保華股東的利益，保華一直強化透明度與問責性，本集團亦朝著這個目標，誠邀擁有廣泛經驗的人士在監督營商活動的同時，亦可給予客觀獨立的意見。為求清楚界定職位上的責任，保華主席與總裁的職務分別由兩個不同人士擔任。保華主席及總裁的職務分述如下：

	<b>CHAIRMAN</b> 主席	<b>MANAGING DIRECTOR</b> 總裁
	<b>Dr Chow Ming Kuen, Joseph</b> 周明權博士	<b>Mr Lau Ko Yuen, Tom</b> 劉高原先生
<b>Responsibilities</b> 職責	<ul style="list-style-type: none"> <li>✓ Provides leadership for the Board 對董事局起領導作用</li> <li>✓ Responsible for overseeing the functioning of the Board 肩負監察董事局行使職責的責任</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leads the management 領導管理層</li> <li>✓ Formulates operational strategies and policies, as well as manages the Group's day-to-day operations 制定營運策略與政策以及管理本集團的日常運作</li> </ul>

As a commitment to good corporate governance, the Chairman of PYI has, in particular, performed the following tasks:

- ✓ ensured that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner; and
- ✓ hold meetings with the non-executive directors (including independent non-executive directors) without the presence of executive director.

作為一個對良好企業管治的承諾，保華主席已履行下列的工作：

- ✓ 確保董事局有效地運作，且履行應有職責，並適時就所有重要及恰當事項進行討論；及
- ✓ 與非執行董事（包括獨立非執行董事）舉行會議，但沒有執行董事列席。

### **Emphasizing accountability through effective delegation**

In order to ensure that the Board plays an effective role in steering the Group to do businesses in the interest of shareholders, a schedule of Board and Board committees meetings to be conducted within the next financial year are issued well in advance to all members, thus well-facilitating more participation by the directors in every meetings. Within the year, 8 Board meetings were held of which one was convened to consider and approve a very substantial disposal transaction in January 2011. Most directors recorded 75% or more attendance in regular Board and Board committees meetings held during the year in which four directors recorded 100% attendance as indicated in the following table.

Constantly striving to achieve greater transparency and accountability to PYI shareholders, PYI has established five Board committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, Compliance Committee, and Share Repurchase Committee; each having specific roles, authority and functions as detailed in the respective written terms of reference which are available on PYI website – [www.pyicorp.com](http://www.pyicorp.com).

### **實踐權力下放以強化問責性**

為確保董事局有效地釋演其以股東利益為本，來掌舵本集團的角色，下一個財政年度之董事局及董事局委員會開會時間表將預早發送給全體成員，令董事們作好安排可參與所有會議。年內，共舉行了8次董事局會議，其中一次為於2011年1月考慮及批准一宗非常重大出售事項。誠如下表所示，大部份董事於年內舉行的董事局定期會議及董事局委員會會議有75%或以上的出席率，而其中四位董事更有100%的出席率。

為求對保華股東實踐更高透明度及提高問責性，保華已成立五個董事局委員會：即審核委員會、薪酬委員會、提名委員會、法規委員會及股份回購委員會；每個董事局委員會有其特定角色、權限及職能，涵蓋它們各自的詳細職權範圍已上載到保華網站 – [www.pyicorp.com](http://www.pyicorp.com)。

**ATTENDANCE RECORD OF MEETINGS**

會議出席記錄

	Board 董事局	Audit 審核	Board committees 董事局委員會				Share Repurchase 股份回購	Shareholders 股東
			Remuneration 薪酬	Nomination 提名	Compliance 法規			
<b>Number of meetings held during the year</b> 年內舉行會議次數	8	5	3	1	2	0	2	
<b>Independent Non-Executive Directors</b> 獨立非執行董事								
Dr Chow Ming Kuen, Joseph 周明權博士	8/8	5/5	3/3	1/1	2/2		1/2	
Mr Kwok Shiu Keung, Ernest 郭少強先生	6/8	4/5	2/3	1/1	2/2		2/2	
Mr Chan Shu Kin 陳樹堅先生	8/8	5/5			2/2	0/0	2/2	
Mr Leung Po Wing, Bowen Joseph 梁寶榮先生	8/8	4/5	3/3				1/2	
Mr Li Chang An 李昌安先生	6/8						0/2	
<b>Executive Director</b> 執行董事								
Mr Lau Ko Yuen, Tom 劉高原先生	8/8		3/3	1/1		0/0	2/2	
<b>Non-Executive Director</b> 非執行董事								
Dr Chan Kwok Keung, Charles 陳國強博士 (with Mr Chan Yiu Lun, Alan as alternate (陳耀麟先生為替任董事))	7/8						1/2	
<b>Group Legal Counsel and Company Secretary</b> 集團法律總監兼公司秘書								
Mr Ko Hiu Fung 高曉峰先生					2/2		2/2	

Regarding the principles, procedures, and arrangements for regular meetings, the Board committees have adopted, to a large extent, the same principles, procedures, and arrangements as that of a full Board meeting. The minutes for all of the regular Board and Board committee meetings are recorded in sufficient detail and are kept by the Company Secretary, and will be subsequently distributed to each director within a reasonable time period so as to ensure the prompt execution of decisions made. In the event where independent professional advice is required, the seeking of such advice must abide by pre-approved procedures.

有關定期會議的原則、程序及安排，董事局委員會已在大程度上採納與全體董事局會議相同的原則、程序及安排。董事局及董事局委員會定期會議紀錄載有詳細資料，並由公司秘書留存，亦在合理的時間內分發給每位董事，以確保及時執行已作出的決定。凡要尋求獨立專業意見，須合符既定程序。

The following tables show the composition of Board committees, their respective roles and functions and a summary and/or report of the works performed by them during the financial year 2010/11:

以下列表顯示於2010/11財政年度董事局委員會的組成，其角色與職能及其工作摘要及/或報告：

REMUNERATION COMMITTEE 薪酬委員會	
<b>Composition</b> 組成	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p><b>3 Independent Non-Executive Directors</b> 獨立非執行董事</p> <p>Dr Chow Ming Kuen, Joseph 周明權博士 (<i>Chairman 主席</i>) Mr Kwok Shiu Keung, Ernest 郭少強先生 Mr Leung Po Wing, Bowen Joseph 梁寶榮先生</p> </div> <div style="font-size: 2em; color: #00AEEF; margin: 0 20px;">+</div> <div style="text-align: center;"> <p><b>1 Executive Director</b> 執行董事</p> <p>Mr Lau Ko Yuen, Tom 劉高原先生</p> </div> </div>
<b>Role &amp; Function</b> 角色與職能	<ul style="list-style-type: none"> <li>✓ Reviews the remuneration policy of the Company 檢討本公司的薪酬政策</li> <li>✓ Makes recommendations to the Board on the policy and structure for all remuneration of directors and senior management and on the establishment of formal and transparent procedures for developing a policy on such remuneration 就所有董事與高級管理層的薪酬政策及結構，以及為制定該等酬金政策，設置一個正規而具透明度的程式，向董事局作出推薦意見</li> <li>✓ Determines the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment 決定所有執行董事和高級管理層的具體薪酬，包括實物利益、退休金權利及賠償金額（包括由於喪失或終止其職務或委任所應付的任何補償金）</li> <li>✓ Makes recommendations to the Board of the remuneration of non-executive directors 向董事局建議非執行董事的薪酬</li> </ul>
<b>Summary of work performed</b> 工作摘要	<ul style="list-style-type: none"> <li>✓ Recommended the aggregate amount of directors' fees for shareholders' approval at 2010 annual general meeting 建議董事袍金總數額，供股東在2010年股東週年大會上批准</li> <li>✓ Reviewed and approved the remuneration packages of Managing Director and senior management in line with market remuneration packages level 檢討及批准與市場薪酬待遇水平掛鈎的總裁及高級管理層的薪酬計劃</li> <li>✓ Approved the reward strategy for the implementation of the approved corporate strategy 批准獎勵戰略，以執行經核准的企業戰略</li> </ul>

### Performance-based remuneration policy

The director's fee was determined with reference to factors including the prevailing market conditions, salary paid by comparable companies, the duties and responsibilities of the director, employment conditions elsewhere and the time committed by the director.

A performance-based element was considered instrumental in aligning the interests of individuals with those of the Group and has been built into top-management compensation.

PYI has adopted its own reward strategy which forms an integral part of its remuneration policy and the basis for future awards to employees. The key aspects of such reward strategy include:

- ✓ to attract and retain talents, base pay and benefits will be market competitive;
- ✓ to support the growth strategy of the Group, short-term and long-term performance-based rewards will be emphasized;
- ✓ to align employees' interest with that of shareholders, the performance-based rewards will either be equity-based and/or cash-based; and
- ✓ equity-based and/or cash reward will be considered in the light of an employee's level of responsibility and influence on the Group's performance and share price.

PYI effectively deployed the appropriate mix of its existing equity-based reward vehicles, including the share option scheme, share award scheme and share financing plan, and cash bonus.

### 績效為本的薪酬政策

董事的袍金乃參考多種因素釐定，包括現行市場情況、類同公司所支付之薪金水平、董事職務與責任、其他地方之僱傭條件以及董事投入之時間。

績效為本的元素將個人利益與本集團利益掛鉤上起了相當重要的作用，而這一報酬機制會在最高管理層中施行。

保華已採納其自訂的獎賞策略，作為其薪酬政策的組成部份及日後獎勵僱員的基準。此獎勵策略的主要範疇包括：

- ✓ 基本薪酬及福利需具市場競爭性，以吸引及挽留人才；
- ✓ 強調短期及長期的績效為本獎賞，要與本集團增長策略一致；
- ✓ 績效為本獎賞將以股份及/或現金為基礎，使僱員與股東利益互相緊扣；及
- ✓ 將因應僱員的責任輕重及其對本集團業績與股價的影響程度，考慮以股份及/或現金為基礎的獎賞。

保華將適當及有效地調配其現有以股份為基礎的獎賞機制，包括購股權計劃、股份獎勵計劃及股份融資計劃，以及現金花紅。

## NOMINATION COMMITTEE

提名委員會

### Composition

組成

### 2 Independent Non-Executive Directors

獨立非執行董事

Dr Chow Ming Kuen, Joseph 周明權博士 (Chairman 主席)  
Mr Kwok Shiu Keung, Ernest 郭少強先生



### 1 Executive Director

執行董事

Mr Lau Ko Yuen, Tom 劉高原先生

Mr Chan Shu Kin 陳樹堅先生

(Alternate to Mr Kwok Shiu Keung, Ernest

替任郭少強先生)

Dr Chan Kwok Keung, Charles 陳國強博士

(Alternate to Mr Lau Ko Yuen, Tom

替任劉高原先生)

### Role & Function

角色與職能

- ✓ Reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes  
定期檢討董事局的架構、人數及組成(包括技能、知識及經驗方面)，並就任何擬作變動向董事局提出建議
- ✓ Identifies individuals suitably qualified to become Board members and select, or make recommendations to the Board on the selection of, individuals nominated for directorships  
物色具備合資格的合適人選擔任董事，及挑選或向董事局提名推薦有關人士出任董事
- ✓ Assesses the independence of independent non-executive directors  
評核獨立非執行董事的獨立性
- ✓ Makes recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular, the Chairman and Managing Director  
向董事局提出與董事委任或重新委任，以及董事(尤其是主席與總裁)繼任計劃有關的建議

### Summary of work performed

工作摘要

- ✓ Nominated the retiring directors for re-election by shareholders at 2010 annual general meeting  
提名退任董事在2010年股東週年大會上膺選連任
- ✓ Considered and recommended to the Board the appointment of Mr Chan Yiu Lun, Alan as an alternate director to Dr Chan Kwok Keung, Charles  
考慮並向董事局提出委任陳耀麟先生為陳國強博士的替任董事
- ✓ Reviewed and assessed individual independent non-executive director's annual confirmation of independence declared pursuant to Rule 3.13 of the Listing Rules  
審閱及評核獨立非執行董事按照《上市規則》第3.13條所申報之年度獨立性確認函

**Nomination Procedure**  
提名程序

In respect of nomination of directors, PYI adopted the following procedure:

就董事之提名，保華採納下列程序：



**COMPLIANCE COMMITTEE**

法規委員會

**Composition**  
組成

**3 Independent Non-Executive Director**  
獨立非執行董事  
Dr Chow Ming Kuen, Joseph 周明權博士 (Chairman主席)  
Mr Kwok Shiu Keung, Ernest 郭少強先生  
Mr Chan Shu Kin 陳樹堅先生



**1 Company Secretary**  
公司秘書  
Mr Ko Hiu Fung 高曉峰先生

**Role & Function**  
角色與職能

- ✓ Oversees the Company's compliance with the legal and regulatory requirements of its business operations  
監管本公司在其商業運作上對法律及管治規定的遵循
- ✓ Reviews and approves the Company's code of conduct and/or business ethics, policies and prevailing corporate governance practices and standards, and oversees their implementation and compliance  
檢討及批准本公司的行為守則及/或商業操守、政策及現行企業管治常規和準則，並監察它們的實施及遵守情況

**Summary of work performed**  
工作摘要

- ✓ Review of Corporate Governance Report for the year ended 31 March 2010  
審閱截至2010年3月31日止年度之《企業管治報告》
- ✓ Review of the compliance reports on the Code of Conduct of PYI  
審閱保華行為守則的常規遵從報告
- ✓ Review of updated compliance reports of the Company and its major PRC subsidiaries submitted by Company Secretary  
審閱公司秘書奉呈之本公司及其中國主要附屬公司的更新常規遵從報告

## SHARE REPURCHASE COMMITTEE

股份回購委員會

### Composition

組成

#### 1 Independent Non-Executive Director

獨立非執行董事

Mr Chan Shu Kin 陳樹堅先生 (Chairman主席)



#### 1 Executive Director

執行董事

Mr Lau Ko Yuen, Tom 劉高原先生

Dr Chow Ming Kuen, Joseph 周明權博士

(Alternate to Mr Chan Shu Kin

替任陳樹堅先生)

### Role & Function

角色與職能

- ✓ Exercises the general mandate granted by shareholders to the Board to repurchase shares of PYI in accordance with the Listing Rules, PYI's bye-laws and the applicable laws of Bermuda 根據《上市規則》、保華公司細則以及百慕達適用法律，行使股東授權董事局回購保華股份之權力

### Summary of work performed

工作摘要

- ✓ During the year, no meeting was held by the Share Repurchase Committee. 於年內，股份回購委員會並無召開會議。



## AUDIT COMMITTEE

### 審核委員會

#### Composition 組成

#### 4 Independent Non-Executive Directors 獨立非執行董事

Mr Chan Shu Kin 陳樹堅先生\* (Chairman主席)

Dr Chow Ming Kuen, Joseph 周明權博士

Mr Kwok Shiu Keung, Ernest 郭少強先生

Mr Leung Po Wing, Bowen Joseph 梁寶榮先生

\* Mr Chan Shu Kin currently is a certified public accountant with extensive experience in auditing, accounting and financial management services.

陳樹堅先生現為一名執業會計師，在核數、會計及財務管理服務方面積逾豐富經驗。

#### Role & Function 角色與職能

- ✓ Appoints external auditor  
委任外聘核數師
- ✓ Reviews the Group's financial information  
審閱本集團財務資料
- ✓ Oversees the Group's financial reporting system and internal control procedures  
監管本集團財務申報制度和內部監控程序
- ✓ Reviews the interim and final results of the Group prior to recommending them to the Board for approval  
在提交給董事局批准之前審閱本集團中期和末期業績
- ✓ Meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to both the Company's external and internal auditors  
定期開會審閱財務申報和內部監控事宜，委員會可為此目的而無阻地跟本公司外聘及內部核數師取得聯繫

#### Report on work performed 工作報告

- ✓ Reviewed unaudited interim consolidated financial statements and audited annual consolidated financial statements of the Group with a recommendation to the Board for approval  
審閱本集團未經審核的中期綜合財務報表和經審核的末期綜合財務報表，並建議董事局通過
- ✓ Reviewed internal control and risk management framework of the Group  
審閱本集團內部控制及風險管理框架
- ✓ Received and reviewed progress reports on internal control, risk management and internal audit actions implemented/planned by the Group  
聽取及審閱內部控制、風險管理及本集團所實施或計劃的內部審計工作的進展報告
- ✓ Approved audit fee proposal of external auditor in connection with the audit of the Group's 2010 final results  
批准外聘核數師就審核本集團2010年末期業績所建議的核數費
- ✓ Approved review fee proposal of external auditor in connection with the review of the Group's 2011 interim results  
批准外聘核數師就審閱本集團2011年中期業績所建議的審閱費
- ✓ Approved the engagement of non-audit services relating to the very substantial disposal that over HK\$500,000  
批准就非常重大出售聘任非核數服務，而所需服務費超過港幣五十萬元
- ✓ Recommended the re-appointment of Deloitte Touche Tohmatsu as the Group's external auditor at 2010 AGM  
建議於2010年股東週年大會上重新委任德勤•關黃陳方會計師行為本集團外聘核數師
- ✓ Met with external auditor in the absence of executives of the Group  
在沒有本集團管理人員在場的情況下，會見外聘核數師

## INTERNAL CONTROL

### Responsibility

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal control to ensure that PYI shareholders' investment and PYI's assets are safeguarded. Such system of internal control was developed by making reference to the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the United States in 1992 and the Guide on Internal Control and Risk Management issued by the Hong Kong Institute of Certified Public Accountants.

Management is responsible for the design and implementation of the internal control system of the Group to achieve the following business objectives:

- ✓ Effectiveness and efficiency of operations
- ✓ Reliability of financial reporting
- ✓ Compliance with applicable laws and regulations.

Such system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute, assurance in this respect.

The Audit Committee performs review of the effectiveness of the Group's system of internal control and reports to the Board regularly. This review covers areas of material control including financial, operational and compliance controls, and risk management systems.

## 內部監控

### 責任

董事局確認其對本集團內部監控系統的設置、維護及檢討其成效性的責任，以保障保華股東的投資及保華資產的安全。此內部監控系統是參考美國Committee of Sponsoring Organizations of the Treadway Commission (COSO)於1992年編制之內部監控綜合框架及香港會計師公會的內部監控與風險管理指引所制定的。

管理層負責設計及執行本集團的內部監控系統，以達致下述業務目標：

- ✓ 有效用及有效率的運作
- ✓ 可信賴的財政匯報
- ✓ 遵守適用法律及規則

此系統旨在管理而非消除導致未能達至業務目標的風險，因此，此系統僅是提供一個合理而非絕對的保證。

審核委員會定期對本集團內部監控系統之有效性作出檢討並向董事局匯報。此檢討涵蓋重要的監控方面，包括財務監控、運作監控、合規監控，以及風險管理系統。

### **Risk Management**

To cope with the risks associated with the achievement of its business objectives in a continually changing environment, the Group has recognized the importance of risk management and has performed risk assessment to evaluate the nature and extent of the risks to which it is exposed. During the risk assessment process, the Group was able to identify the key risks facing the Group. The risks are prioritized according to the likelihood of their occurrence and the significance of their impact on the businesses of the Group and risk management measures are in place to manage the risks to an acceptance level.

To support management in responding to risks arising from the complex and changing business environment, regular trainings are provided to our management to strengthen their awareness of risk and capability to manage risks. The trainings provided this year mainly included topics such as updates on latest development on the rules and regulations in Mainland China, financial derivatives and fault risks identification and management and how to mitigate risks through insurance.

In addition, one of the subsidiaries in Hangzhou, being PYI's Mainland regional support centre, has obtained ISO9001 – Quality Management Systems certification during the year. This regional support centre aims to provide high quality and standard company management services to PYI's other business units in Mainland in areas of financial management, internal audit, legal and compliance etc.

### **風險管理**

為應付在不斷改變的經營環境中因實現經營目的而產生的風險，本集團確認了風險管理的重要性並進行風險評估去判斷本集團所面對的風險的性質及程度。在風險評估過程中，本集團能夠鑒定本集團面對的主要風險。這些風險已根據其出現的機會及其對本集團業務的影響的嚴重性進行排序，而風險管理措施已被制定去維持風險在可接受的程度內。

面對複雜多變的營商環境，為了協助管理層有效地應付風險，公司定期向管理層提供相關的培訓，以增強其風險意識和管理控制風險的能力。本年度公司向管理層提供的培訓主要包括國內法律及法規的最新發展、金融衍生產品風險和舞弊風險的識別與管理，以及怎樣透過保險減輕風險等主題。

此外，保華於國內的支援中心，一家位於杭州的附屬公司於年內取得ISO9001 – 質量管制體系的認證，為保華於國內的其他業務提供高質素及標準的內部管理服務，所涉及的領域包括財務管理、內部審計、法律及合規等方面。

## Review of Internal Control System

Management at business units level is required to perform control self assessments annually to assess the effectiveness of their systems of internal control. The control self assessment is in the form of questionnaire that sets out key factors in each of the five components of the COSO Internal Control Integrated framework. These five interrelated components are Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring.

The control self assessment has not only facilitated the identification of control deficiencies, it has also enhanced management's awareness of risk and control. In addition to the control self assessment, management has also conducted an annual review of the Company's policies and procedures to ensure that they are still effective and adequate.

During the year, PYI has recruited external consultant to review its overall internal control system, by benchmarking with COSO Internal Control Framework, in order to identify areas for further improvement. The review helps PYI consciously enhance the effectiveness of its internal control system.

Besides, the Internal Audit Department has carried out independent audits to evaluate the effectiveness of the Group's system of internal control according to the approved three-year internal audit plan for the Group. This audit plan covered the financial years from 2008/09 till 2010/11 and it was determined using a risk-based approach and is re-assessed annually to ensure adequate audit resources are deployed and the objectives of the plan are met.

Finally, management has formulated remedial action plan for gaps and weaknesses identified during the control self assessments and internal audit. The Internal Audit Department has conducted follow-up review periodically to ensure remedial actions are implemented on a timely basis and has reported the results of the review to the Audit Committee.

For the year ended 31 March 2011, the Board was not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the internal control system of the Group.

## 內部監控系統的檢討

各業務的管理層須每年進行監控自行評估，以評估本身內部監控系統的效能。監控自行評估，是以問卷的型式，列出按COSO內部監控綜合框架的五個元素的主要成份。這五個互相關連的元素分別是監控環境、風險評估、監控活動、資訊及溝通、以及監察。

監控自行評估工作不但能協助管理層識別管理上的缺陷，還可以提升他們的風險及內部控制意識。除了進行監控自行評估之外，管理層每年亦審閱公司的政策及程序，以確保其仍然有效及完備。

於本年度，保華聘請外部顧問對本集團的內部監控系統進行審閱，評估其與COSO內部監控綜合框架的差距，以識別內部監控系統進一步完善的空間，協助保華不斷鞏固和提升內部監控系統的有效性。

另外，內部審計部門按已審批的3年期集團內部審計計劃，對本集團內部控制系統的有效性作出獨立審查。這個包含2008/09至2010/11財政年度的審計計劃是以風險導向為基礎及每年重新作出檢討，以確保有足夠的審計資源及能夠達成計劃的目標。

最後，管理層已就監控自行評估及內部審計中所發現的漏洞及弱點，制訂了改善方案。而內部審計部門，已定期作出跟進審核，以確保有關改善措施得以及時執行，並已向審核委員會匯報審核結果。

至於截至2011年3月31日止年度，董事局未發現對本集團內部監控系統的有效性及足夠性構成不利影響的重大問題。

### Review of Accounting and Financial Reporting Function

The Board has, through the Audit Committee, reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget, and was satisfied with the results of the review.

### INTERNAL AUDIT

The internal audit department of PYI has been set up in November 2007 which is headed by the Group Internal Audit Senior Manager and reports directly to the Audit Committee of PYI. It plays an important role in the internal governance of PYI Group. With the assistance from external internal audit consultant, the internal audit department is primarily responsible for conducting review and audit on the effectiveness of the Group's system of internal control periodically.

The internal audit department is independent from operational management and is fully empowered to access to data required in performing the internal audit review. Moreover, the department is comprised of well qualified and capable staff and is provided with adequate resources to perform its duties.

PYI internal audit department uses risk-based approach to develop its three-year internal audit strategic plan which guides and directs the internal audit assignments over the periods. The plan is re-assessed annually to ensure adequate audit resources are deployed and the objectives of the plan are met. This three-year strategic plan and its annually re-assessment are both approved by the Audit Committee. In the year 2011, the PYI internal audit department has completed its first three-year internal audit strategic plan. A new internal audit strategic plan has been formulated for the coming three years so as to keep the continuity of the internal audit functions in internal governance of the Group.

During the year 2010/2011, the internal audit department has conducted audits and reviews according to the internal audit strategic plan. During the process of audits, the internal audit department identified internal control weakness, made recommendations for improvement, obtained remedial action plan of management and followed up remedial status of the management action plan and its timeliness. During the year, PYI (Hangzhou) has obtained ISO9001:2008 certification. In the certification process, the internal audit department performed an ad hoc internal audit review to PYI (Hangzhou) to ensure its compliance to the certification requirements.

### 會計及財務匯報職能的檢討

董事局已透過審核委員會，對本集團在會計及財務匯報職能資源足夠性、員工的資歷及經驗，以及他們所接受的培訓及有關預算方面作出了檢討，並對檢討結果表示滿意。

### 內部審計

於2007年11月成立的保華內部審計部門乃由集團內部審計高級經理主管及直接向保華審計委員會匯報。內部審計部門於本集團內部管治擔當重要角色，並聯同外聘的內部審計顧問主要負責對本集團內部系統的有效性定期作出覆核及審查。

內部審計部門獨立於營運管理，被授予全權接觸需作內部審計覆核的資料；及由有資格及能力的員工組成及有足夠資源去履行其職責。

保華內部審計部門採取以風險為導向的審計方法，制定為期三年的內部審計戰略計劃，規劃和指導內部審計工作的展開。每年內部審計部門對該計劃重新作出檢討，以確保有足夠的審計資源及能夠達成計劃的目標。此三年戰略計劃及對計劃的年度調整均得到審核委員會的審批。於2011年，保華內部審計部門已經完成了第一個三年內部審計戰略計劃。為保持本集團內部管治下的內部審計職能的連續性，已為未來三年制定了一個新的內部審計戰略計劃。

於2010/2011年度，內部審計部門已按照內部審計戰略計劃執行審查及覆核。在審查過程中，內部審計部門識別內部控制弱點，提出改善建議，取得由管理層制定的改善方案，並對管理層的方案的改善情況以及其及時性作出跟進。年內，保華（杭州）已獲得ISO9001:2008認證。在認證過程中，內部審計部門對保華（杭州）進行特別內部審計覆核，以確保其符合認證要求。

## EXTERNAL AUDITOR

Deloitte Touche Tohmatsu (“Deloitte”) has been re-appointed as the Company’s external auditor at 2010 annual general meeting until the conclusion of the next annual general meeting. The Audit Committee in its meeting on 20 June 2011 recommended the re-appointment of Deloitte as the Company’s external auditor at 2011 annual general meeting and the Board has adopted the same view as that of the Audit Committee.

In order to maintain independence, Deloitte is primarily responsible for providing audit services in connection with the Group’s consolidated financial statements, and only provides non-audit services that do not impair their independence or objectivity and are approved by the Audit Committee.

## 外聘核數師

德勤•關黃陳方會計師行(「德勤」)已於2010年股東週年大會上被重新委任為本公司外聘核數師，直到下一屆股東週年大會結束為止。審核委員會於2011年6月20日之會議上建議在2011年股東週年大會上重新委任德勤為本公司外聘核數師，而董事局亦與審核委員會之意見一致。

為了保持其獨立性，德勤主要負責就本集團綜合財務報表提供核數服務，以及不會損害其獨立性或客觀性、並經由審核委員會批准的非核數服務。

### REMUNERATION PAID OR PAYABLE TO DELOITTE FOR AUDIT AND NON-AUDIT SERVICES

已付或應付予德勤的核數及非核數服務酬金

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
<b>Services Rendered</b>	<b>提供的服務</b>		
Audit services	核數服務	7,554	7,202
Non-audit services	非核數服務		
Taxation advisory	稅務諮詢	315	285
Special engagements	特定委聘	4,120	4,432
<b>Total</b>	<b>總額</b>	<b>11,989</b>	11,919

## CORPORATE SOCIAL RESPONSIBILITY

### *For the love of our community*

In 2010, the Group continued to discharge its corporate social responsibility in many areas, both internally and towards the community.

Our most notable contribution in the year is the participation of our employees in two fund raising campaigns in Hong Kong – the Artistes 414 Fund Raising Campaign for the victims of the massive earthquake in Qinghai and the Artistes 311 Love Beyond Borders for the victims of the massive earthquake and tsunami along the east coast of Japan. We witnessed the destruction caused by both disasters and our hearts are with those who suffered the loss of their homes and their families. To contribute to the rebuilding of their lives, PYI encouraged and supported our management and staff's efforts to participate and to contribute their professional skills to the success of these campaigns. Their efforts, combined with those of the Hong Kong citizens, raised the much-needed funds for the victims. We sincerely support the culture of volunteering amongst our staff and will continue to support their efforts in the years to come.

In the beginning of 2011, PYI is honored to have provided Nantong and Wuhan students the opportunity to widen their horizons here. PYI sponsored two study tours to Hong Kong for 60 outstanding secondary school students from Nantong for the fifth year and Wuhan for the third year. These tours were aimed at educating the students on the educational and commercial operations in Hong Kong with the continual belief in growing the potential of the next generation. PYI organized trips to universities in Hong Kong and the Hong Kong Stock Exchange. After the tours, an impressive percentage of the students, who are among the top students in their home towns, chose to pursue their tertiary education in Hong Kong.

## 企業社會責任

### 為愛護社會

於2010年，本集團在內部及面向社會的多個領域仍盡其企業社會責任。

年內，我們最顯著的貢獻便是我們的員工參與香港兩個籌款活動—為著青海強烈地震災民籌款的演藝界情繫玉樹關愛行動，以及為日本沿東海岸強烈地震和海嘯受害者籌款的愛心無國界311燭光晚會。我們見證著由兩個災難所造成的破壞，並為那些痛失家園及家人的災民獻出愛心。為幫助災民重新投入生活，保華鼓勵及支持我們的管理層及員工盡力參與及投入其專業技術，使該等活動得以成功。我們的管理層及員工連同香港市民的努力，為災民籌集了所需的款項。我們由衷地支持我們員工間的義工文化，並於來年繼續支持他們投入參與。

於2011年初，保華非常榮幸能為南通及武漢學生提供機會拓寬他們在這裏的視野。由保華贊助前往香港的兩次學術訪問共有60名優秀中學生，其中來自南通的已是第五個年頭，而來自武漢的是第三個年頭。該等訪問團旨在讓學生認識香港的教育及商業運作，不斷為下一代啟發潛能。保華安排學生參觀香港的大學及聯交所。訪問團過後，有為數不少的當地優秀學生，選擇在香港接受高等教育。

At PYI, our businesses are intricately connected to the environment. With a sense of social responsibility towards the environment, we supported the global “Earth Hour” campaigned by World Wide Fund (“WWF”) by turning off the non-essential lights in our office for an hour at 8:30 p.m. on 26 March 2011. We also encouraged our staff to support “Earth Hour” through our internal communications. In appreciation of our efforts, PYI is pleased to have received thanks from the WWF.

While PYI remains committed to the good of the society, both locally and regionally, we are also focused on caring for our staff's well being. We encourage our staff to maintain a healthy work-life balance and continue to support their efforts towards voluntary work. In addition, PYI is proud to be accredited, for the third year running, with the Caring Company Award by The Hong Kong Council of Social Service.

As we progress into the new fiscal year, PYI would like to maintain our focus to be a responsible and caring corporate citizen, contributing to the community while driving profitability for our shareholders.

By Order of the Board

**Ko Hiu Fung**  
*Company Secretary*

Hong Kong, 24 June 2011

在保華，我們的行業與環境有著不可言喻的連繫。懷著對環境的社會責任感，我們響應由世界自然基金會(「世基會」)主辦的全球性「地球一小時」活動，於2011年3月26日晚上8時30分起一小時內在辦公室關上非必要的燈光。我們亦透過內部通訊，鼓勵員工響應「地球一小時」活動。為此保華收到由世基會發出的感謝，以讚揚我們的努力。

保華在保持著對本地及整體地區性的社會利益的同時，亦關注員工的身心健康。我們鼓勵員工維持健康平衡的工作生活及繼續支持其義務工作。此外，我們對保華第三年榮獲香港社會服務聯會頒發「商界展關懷」獎項，深感自豪。

邁向新的財政年度，為股東謀求盈利之餘，保華將竭力貢獻社會，務求成為一個負責任兼關愛的企業公民。

承董事局命

公司秘書  
**高曉峰**

香港，2011年6月24日