

Joining Hands 群策群力

2008 Annual Report
年報



THE ROLE OF THE FRC

財務匯報局的職責

1

To conduct independent investigations into possible auditing and reporting irregularities in relation to listed entities

就有關上市實體可能在審計或匯報方面的不當行為展開獨立調查

2

To enquire into possible non-compliances with accounting requirements on the part of listed entities

就上市實體可能沒有遵從會計規定的事宜展開查訊

3

To require listed entities to remove any non-compliance identified

要求上市實體糾正其財務匯報上的不遵從事宜



Joining Hands 群策群力

Mountaineers work hand in hand to conquer the highest mountains. Similarly, the FRC collaborates with other regulators to meet the challenges of the financial turmoil. We work together to increase investors' confidence and underpin the stability of Hong Kong markets.

攀山需要團隊的合作，才可征服高峰。同樣地，面對金融危機，財務匯報局需與各監管機構攜手應付挑戰。我們緊密合作以加強投資者的信心，及維持香港證券市場的穩定。

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BACKGROUND INFORMATION

背景資料

The Financial Reporting Council (FRC) was established on 1 December 2006 under the Financial Reporting Council Ordinance (Chapter 588) (FRC Ordinance), which was enacted on 13 July 2006. The FRC has been fully operational since 16 July 2007.

Establishment

The collapse of major corporations in 2001 and 2002, such as Enron and WorldCom, in the United States brought into sharp focus the need for better corporate governance, financial reporting and auditing practices. To assuage public concerns, the United States authorities passed the Sarbanes-Oxley Act in 2002 to create the Public Company Accounting Oversight Board (PCAOB). Many other jurisdictions also introduced regulatory reforms to their accounting and auditing professions.

In Hong Kong, the accounting and auditing profession was then self-regulatory. The Hong Kong Institute of Certified Public Accountants (HKICPA) set professional standards, maintained a register of qualified accountants, oversaw the quality of professional practice, monitored compliance with standards, investigated alleged misconduct of its members, and subjected those found culpable to disciplinary action if necessary.

The Government of the Hong Kong Special Administrative Region (HKSAR) and the HKICPA implemented certain measures, including amending the Professional Accountants Ordinance, increasing lay participation in the Council of the HKICPA, setting up Investigation and Disciplinary Committees of the HKICPA, and enhancing the HKICPA's independence in dealing with irregularities.

In meeting public expectation of more independent regulation of the auditing profession and after consulting various regulatory bodies, the Government established the FRC, which took over the investigatory role of the HKICPA in relation to auditing irregularities of listed entities. The FRC Ordinance provides the FRC with the legal power to obtain information from listed entities and related persons, as well as auditors.

Roles and functions

The FRC was established to uphold the quality of financial reporting in Hong Kong, enhance protection for investors and increase investor confidence, thereby reinforcing Hong Kong's status as an international financial centre. The FRC has two major functions:

- To investigate suspected relevant irregularities on the part of auditors or reporting accountants of listed entities.

財務匯報局根據二零零六年七月十三日制定的《財務匯報局條例》(第588章)，於二零零六年十二月一日成立，並於二零零七年七月十六日起全面運作。

成立

在二零零一年和二零零二年，數間美國大型企業的倒閉，例如安然(Enron)及世界通訊(WorldCom)，令各界關注到良好企業管治、財務匯報及審計常規的重要性。為減低公眾憂慮，美國有關當局於二零零二年通過薩班斯-奧克斯利法案(Sarbanes-Oxley Act)，設立了上市公司會計監管委員會(PCAOB)。不少其他司法管轄區，亦已對當地的會計及審計行業的監管進行改革。

在香港，會計及審計行業過往是自我監管的。香港會計師公會身兼多個功能，包括制訂專業準則、備存合資格會計師名冊、監督會計業務的質素、監察對準則的遵守情況、調查對會員不當行為的指控及對犯錯會員作出處分。

香港特別行政區(香港特區)政府與香港會計師公會已實施若干措施，包括修訂《專業會計師條例》，增加香港會計師公會理事會的業外人士成員數目，在香港會計師公會轄下設立調查委員會及紀律委員會，及加強香港會計師公會處理不當行為的獨立性。

政府為滿足公眾對審計行業獨立監管的期望，於諮詢各監管機構的意見後，成立了財務匯報局，以接替香港會計師公會調查上市公司的審計不當行為的職能。《財務匯報局條例》賦予財務匯報局法定權力，可向上市公司、有關人士，以及核數師索取資料。

角色及職能

成立財務匯報局的目的是維持香港財務匯報的質素、提高對投資者的保障及加強投資者的信心，從而鞏固香港作為國際金融中心的地位。財務匯報局有兩項主要職能：

- 對上市公司的核數師或匯報會計師涉嫌的有關不當行為作出調查。

- To enquire into suspected relevant non-compliance with accounting requirements in financial statements of listed entities.

The FRC receives complaints from the public and referrals from other regulatory bodies. In 2008, the FRC initiated the review of modified auditor's reports to identify cases of potential non-compliance. The Members of the FRC in meeting (Council) considers the circumstance of each case to see if an investigation or enquiry is warranted.

Structure

The FRC is governed by its Council, which currently comprises 11 members, most of whom are non-accounting professionals, including the Chairman.

The Secretariat of the FRC (Secretariat) is operated by full-time staff members, many of whom are professional accountants with audit and financial reporting experience. The Chief Executive Officer of the FRC (CEO) is the Secretariat's administrative head and is appointed by the Chief Executive of the HKSAR.

Four committees, the Corporate Communications Committee, the Operations Committee, the Remuneration Committee and the Tender Committee, have been set up to advise the Council on relevant areas of its work.

The Audit Investigation Board (AIB) and the Financial Reporting Review Panel (FRRP) are subsidiary organs of the FRC. Their role is to assist the Council in discharging its two principal functions, i.e. investigation and enquiry.

An independent Process Review Panel (PRP) was appointed by the Chief Executive of the HKSAR to review the FRC's performance to enhance accountability.

For the organisation structure, please refer to page 17.

Audit Investigation Board

The AIB investigates irregularities on the part of auditors or reporting accountants of listed entities. Relevant irregularities include non-compliance with professional standards, misconduct, negligence and criminal acts in the auditing of financial statements or the preparation of accountant's reports for inclusion in prospectuses and other listing documents.

- 對上市實體的財務報表涉嫌有不遵從會計規定的事宜作出查訊。

財務匯報局接受公眾的投訴及由其他監管機構轉介的個案。本局亦於二零零八年開始審閱非無保留意見的審計報告，從中找出可能有不遵從事宜的個案。財務匯報局會議成員(財務匯報局成員)會考慮每宗個案的情況，決定是否有充份理據展開調查或查訊。

架構

財務匯報局由財務匯報局成員負責監管其運作，目前成員人數是十一人，包括主席在內的大部份成員，均為非會計行業人士。

財務匯報局秘書處(秘書處)由全職人員運作，其中大部份均為專業會計師，並在審計及財務匯報方面擁有豐富經驗。財務匯報局行政總裁(行政總裁)為秘書處的行政主管，由香港特別行政區行政長官委任。

財務匯報局已成立四個委員會，包括機構傳訊委員會、運作委員會、薪酬委員會及投標委員會，以向本局成員就不同的工作範疇提供意見。

財務匯報局轄下設有審計調查委員會及財務匯報檢討委員會。他們的角色是協助本局成員履行兩個重要的職能，即執行調查及查訊。

香港特別行政區行政長官已委任一個獨立的程序檢討委員會，以審閱財務匯報局的表現，從而加強本局的問責性。

關於組織架構，請參考第十七頁。

審計調查委員會

審計調查委員會調查上市公司核數師或匯報會計師的不當行為。有關不當行為包括在審計財務報表或在編製招股章程及其他上市文件內的會計師報告時，有不遵守專業準則、行為失當、疏忽及犯罪的情況。

BACKGROUND INFORMATION

To initiate an investigation, the Council must be satisfied that there are circumstances suggesting, or there is reasonable cause to believe, an auditing or reporting irregularity has occurred.

When the Council initiates an investigation, it will normally direct the AIB to conduct the investigation. The AIB is chaired by the CEO and its members are full-time staff of the FRC. However, in exceptional circumstances, the Council may decide to conduct the investigation itself.

Honorary Advisers have been appointed to provide advice on cases under investigation. They are experienced, reputable individuals in the accountancy profession with exceptional expertise in the auditing field.

Upon completion of an investigation, the AIB will submit its report to the Council. If the Council adopts the report and the report concludes that there is a relevant irregularity, it may refer the case to the HKICPA for follow-up action.

Financial Reporting Review Panel

The FRRP undertakes enquiries into non-compliance with accounting requirements in the financial statements of listed entities. Non-compliance means failure to comply with accounting requirements under the Companies Ordinance (Cap. 32), the SFC Codes, Listing Rules or financial reporting standards.

Where it appears to the Council that there is, or may be, relevant non-compliance, the Council may initiate an enquiry.

At this point, the Council normally appoints a Financial Reporting Review Committee (FRRC), comprised of members selected from the FRRP, to conduct the enquiry. The Chief Executive of the HKSAR is responsible for appointing all the members of the FRRC, which currently consists of 34 members (including five Convenors). However, in exceptional circumstances, the Council may decide to conduct the enquiry itself.

The appointments are based on the members' experience in the fields of accounting, auditing, finance, banking, law, administration, or management.

本局必須確定有情況顯示，或有合理理由相信有審計或匯報方面的不當行為發生，才可展開調查。

當本局決定展開一項調查，本局成員會指示審計調查委員會進行調查工作。審計調查委員會由財務匯報局行政總裁擔任主席，而成員則為財務匯報局的全職職員。但在特別情況下，財務匯報局成員可決定自行調查個案。

本局已委任名譽顧問，在調查中的個案提供意見。他們均為資深及知名的會計行業人士，並在審計方面擁有豐富經驗。

完成調查後，審計調查委員會會呈交調查報告予財務匯報局成員。如本局成員接納該份報告，而該報告總結有不當行為，本局可以轉交該個案予香港會計師公會跟進。

財務匯報檢討委員會

財務匯報檢討委員會負責查訊上市公司財務報表沒有遵從會計規定的事宜。不遵從事宜指不遵守《公司條例》(第32章)、證監會守則、上市規則或財務匯報準則中的會計規定。

如本局成員相信有或可能有有關不遵從事宜，本局成員可展開查訊。

這時，本局成員一般會從財務匯報檢討委員會中選出若干人士，以成立財務匯報檢討委員會進行查訊。財務匯報檢討委員會的所有成員，均由香港特別行政區行政長官委任，目前由三十四名成員組成，當中包括五名召集人。但在特別情況下，財務匯報局成員可決定自行查訊個案。

財務匯報檢討委員會成員，是根據他們在會計、審計、財務、銀行、法律、行政或管理方面的經驗而獲得委任。

At the completion of the enquiry, the FRRC will submit its report to the Council. If the Council adopts the report and the report concludes that the financial statements do not comply with accounting requirements, the Council may demand removal of the non-compliance found in the financial statements or seek a court order to mandate such removal.

Financial arrangements

The FRC is funded by the Companies Registry Trading Fund (CRTF), the Hong Kong Exchanges and Clearing Limited (HKEx), the HKICPA and the Securities and Futures Commission (SFC). Each party is committed to contributing HK\$2.5 million annually as recurrent funding for the first three years of the FRC's operation. This amounts to a total annual funding of HK\$10 million per annum.

The four parties also have each contributed lump-sum amounts of HK\$5 million to make up a reserve fund of HK\$20 million, which will be used should the recurrent funding fail to meet operating requirements or in the case of exigent circumstances.

Cooperation with other regulators

The FRC must ensure that its investigation findings assist the conduct of disciplinary proceedings by the Disciplinary Committees of the HKICPA under the Professional Accountants Ordinance (Chapter 50).

The FRC may also refer cases or findings to other enforcement bodies for necessary action. At the same time, it may receive referral of complaints from the HKICPA and other bodies.

The FRC has signed Memoranda of Understanding (MoUs) with the HKICPA, the Hong Kong Monetary Authority, the Insurance Authority, the SEHK and the SFC, which set out cooperation arrangements.

Given that many Hong Kong listed entities are based in the Mainland or have substantial investments/business interests in the Mainland, the FRC has also established channels of cooperation with the Ministry of Finance (MoF).

在查訊完成後，財務匯報檢討委員會會呈交查訊報告予財務匯報局成員。如本局成員接納該份報告，而該報告總結有不遵從會計規定的事宜，本局成員可要求有關人士糾正財務報表的不遵從事宜，或向法院申請命令要求糾正不遵從事宜。

財務安排

財務匯報局的經費由公司註冊處營運基金、香港交易及結算所有限公司(港交所)、香港會計師公會及證券及期貨事務監察委員會(證監會)支付。每間機構承諾每年提供港幣二百五十萬元，作為首三年運作的經常性營運經費，投入總額每年為一千萬港元。

四間機構亦各提供了五百萬港元，合共二千萬港元，作為儲備金。儲備金會在營運經費不足時以補貼運作需求，或在緊急情況下使用。

與其他監管機構的合作

財務匯報局必須確保其調查結果能夠協助香港會計師公會紀律委員會根據《專業會計師條例》(第50章)執行紀律程序。

財務匯報局亦可轉介個案或調查結果給予其他執行機構以採取有需要的行動。與此同時，本局亦會處理由香港會計師公會或其他機構轉介的投訴。

財務匯報局已與香港會計師公會、香港金融管理局、保險業監督、聯交所及證監會簽署諒解備忘錄，以釐定合作安排。

由於很多香港上市公司的總部在內地，或在內地擁有大量投資項目或業務，財務匯報局與財政部亦已建立合作的渠道。

CHAIRMAN'S STATEMENT

主席報告

It is my great pleasure to report another productive year for the FRC, during which our statutory and operational requirements were fully met.

Through the hard work, dedication and competence of members of the FRC, much has been done to shore up confidence in Hong Kong's financial framework among the public, and our strengths have ably complemented the regulatory regime for the accounting and auditing profession.

The FRC and its operating bodies – the AIB and the FRRP – have seen continual progression since their inception.

With the smooth cooperation of other regulatory bodies, we are in the position of being able to look back on 2008 with pride and to look forward to our third year of operation with high expectations.

We will continue working to:

- uphold the quality of financial reporting of listed companies;
- enhance protection for investors; and
- deepen investor confidence in corporate reporting.

The FRC's second year

I am delighted to report that the FRC has seen another year of effective and efficient operations.

We received a total of 12 complaints, spread evenly throughout the year, and the workload was stable. Half of the complaints received in 2008 were related to non-compliance with accounting requirements, 33% were related to auditing irregularities and 17% involved both non-compliance and auditing irregularities.

In 2007, we started one investigation and one enquiry and both were completed in 2008. We expect to publish the findings of the investigation and the enquiry sometime in 2009 – subject to the requirements of the FRC Ordinance and the result of any follow-up action taken by the relevant regulators.

No complaints warranted the instigation of an investigation or enquiry in 2008.

本人很高興向各位報告，於過去一年，財務匯報局無論在法定及運作職能上，均能全面達到目標。

在財務匯報局成員的努力和投入下，我們致力在提高公眾對香港金融體制信心方面作出貢獻，我們的強項亦正好與其他監管會計和審計行業的機構互相補足。

財務匯報局及其兩個運作個體 – 審計調查委員會及財務匯報檢討委員會，自成立以來不斷取得進展。

回顧二零零八年，我們與其他監管機構合作順利，實在令我們感到自豪。展望第三個運作年度，我們對本局的工作將有更高的期望。

我們將繼續致力於：

- 維持上市公司財務匯報的質素；
- 提高對投資者的保障；及
- 加強投資者對企業匯報的信心。

財務匯報局的第二年

本人欣然匯報，財務匯報局於第二年的運作，繼續保持有效益及高效率。

二零零八年間，我們共接獲十二宗投訴，全年個案分佈平均，工作量穩定。接獲的投訴中，有百分之五十是與不遵從會計規定的事宜有關，百分之三十三則牽涉審計方面的不當行為，其餘的百分之十七，則同時涉及以上兩個問題。

我們於二零零七年展開的一項調查及一項查訊，均於二零零八年完成。我們預期將於二零零九年內發表該項調查及查訊的結果。然而最後是否能將結果公佈，將取決於《財務匯報局條例》的規定及有關監管機構所採取的跟進行動的結果。

我們在二零零八年完成的投訴個案中，並沒有需要作出進一步調查或查訊。

New initiatives

As well as continuing to review complaints, we also launched some new initiatives during the year. These included:

- Review of auditor's reports of financial statements with modifications – this started on 16 July 2008, exactly a year after the FRC became fully operational. This is a proactive effort to identify financial statements of listed entities with potential non-compliance with accounting requirements. Given that auditor is the first line of defence responsible for alerting users of financial statements of any misstatements in the auditor's reports, the FRC reviews all auditor's reports on a daily basis to enable the instigation of prompt action on any suspected non-compliance. In 2008, we have reviewed 28 modified auditor's reports, one of which warranted an enquiry, which was initiated in November and ongoing at the end of the year.
- Keep tabs on news of listed entities – we are now keeping an eye on the news of listed entities for information that could help us identify possible irregularities, for example, companies investing in structured products but failed to disclose the underlying risks in their financial statements. The aim is to identify any possible non-compliance with accounting requirements or auditing irregularities, either of which may be deemed to require further review.
- Enhanced transparency – during the year, we began publishing the number of modified auditor's reports reviewed and a summary of the allegations and results of review for closed complaint cases. This is in addition to the operations statistics, which are being published monthly.

“Through the hard work, dedication and competence of members of the FRC, much has been done to shore up confidence in Hong Kong's financial framework among the public, and our strengths have ably complemented the regulatory regime for the accounting and auditing profession.

在財務匯報局成員的努力和投入下，我們致力在提高公眾對香港金融體制信心方面作出貢獻，我們的強項亦正好與其他監管會計和審計行業的機構互相補足。

Sophia Kao *Chairman*
高靜芝 主席

新開始的工作

除了繼續審閱投訴外，我們去年亦開始了數項新工作，包括：

- 審閱非無保留意見的審計報告 – 這項工作於二零零八年七月十六日，即本局開始全面運作的一週年時展開，目的是以主動的方式，找出可能有不遵從會計規定的上市公司財務報表。核數師作為首道防線，有責任於審計報告中，提醒財務報表使用者，有關報表是否有任何錯誤陳述。本局每天審閱當日出具的審計報告，以確保能及時就可能有不遵從會計規定的事宜作出行動。在二零零八年，我們已審閱了二十八份非無保留意見審計報告，其中一宗需進行查訊。查訊已於十一月開始，於年底仍在進行中。
- 檢視上市公司新聞 – 我們對上市公司的新聞密切關注，從資訊中識別可能違規的情況，例如，公司投資結構性產品，卻沒有在財務報表披露有關風險。這項工作的目的，是識別任何可能是不遵從會計規定的事宜，或在審計方面的不當行為，從而作出進一步審閱。
- 提高透明度 – 除發佈每月的運作統計數字外，我們從去年開始，亦將已審閱的非無保留意見的審計報告統計數字，以及已完結的投訴個案摘要每月公佈，予公眾參閱。該摘要總結了各個案涉及的指控及審閱結果。



Working as a team

During this period of financial turmoil, the FRC is vigilant to the higher probability of misrepresentation or fraud. With the willing cooperation of other regulatory bodies, we at the FRC strive to root out these irregularities, thus underpinning the stability of Hong Kong's financial markets.

It is of the utmost importance that directors of listed companies, as those responsible for preparing the financial statements, ensure they present a true and fair view of their companies' results.

Of equal importance, auditors provide a reasonable assurance that the financial statements are free from material misstatement. Auditors are duty-bound to alert shareholders if there is any evidence of non-compliance with accounting requirements in listed companies' financial statements.

Various regulatory bodies also maintain surveillance over possible non-compliance with accounting requirements in financial statements of listed companies. They refer suspected cases to the FRC for investigation or enquiry. Members of the public may also bring suspected cases to our attention in the form of complaints. Complaints not within our remit are referred to the appropriate authorities.

For cases that require action by other regulators such as sanctions or disciplinary action for non-compliance or auditing irregularities, they are referred to the appropriate regulator for follow-up.

It is our firm belief that enhanced communication with other regulatory authorities is key to strengthening successful cooperation and team work. For this reason, we communicate with other regulatory bodies frequently, building strong working relationships with them. We meet at regular intervals with our MoU partners to improve mutual understanding and cooperation. We also meet with the MoF of the Central Government from time to time to secure the assistance of this regulatory authority when it is required.

Keeping abreast of global trends

Our participation in conferences and seminars ensures the FRC stays abreast of global developments relating to audit oversight work. In 2008, we attended global conferences hosted by the US PCAOB and the European Commission to share our experiences and find solutions to problems in the regulation of the auditing profession. We also took the opportunity to build network with the regulatory authorities of other countries.

團隊的合作

在此金融動盪期間，本局警覺到出現錯誤陳述或欺詐的機會相對較高。我們通過與其他監管機構齊心合作，竭力消除這些不當行為，以確保香港金融市場的穩定。

上市公司董事的角色極為重要。他們的職責是擬備財務報表，以及確保該等報表真實而中肯地列報其公司的業績。

核數師的職責亦同樣重要。他們需對財務報表並無任何重大錯誤陳述提供合理保證。如有任何證據顯示，上市公司的財務報表有任何不遵從會計規則的事宜，核數師有責任提醒股東。

多間監管機構亦會就上市公司財務報表是否有不遵從會計規則的事宜作出監察。當發現可疑個案時，會將之轉交予財務匯報局作出調查或查訊。公眾亦可以投訴形式，將可疑個案知會我們。如投訴事項並不在我們的職權範圍內，我們會將這些投訴，轉交予適當的機構跟進。

如個案需要其他監管機構採取行動，例如對所發現的不遵從事宜或審計不當行為採取處分或紀律行動，這些個案將會被轉交適當機構跟進。

我們堅信與其他監管機構加強溝通，對推動有效協作和團隊工作極為重要。有鑒於此，我們與其他監管機構緊密聯繫，以加強彼此的協作關係。我們定期與簽訂諒解備忘錄的合作夥伴會面，以增加互相的了解和合作。我們亦不時與國家財政部會面，以便有需要時，獲得財政部的協助。

了解最新環球趨勢

我們不時參與各類會議及研討會，以了解審計監督工作的環球趨勢。於二零零八年，我們參加了由美國上市公司會計監管委員會 (PCAOB) 和歐盟執行委員會 (European Commission) 舉辦的全球會議，分享我們在監管審計行業方面的經驗，並共同探討如何解決在監管上遇到的問題。我們亦藉此機會，與其他國家的監管機構加強聯繫。

Most other financial centres have an audit oversight body, independent of the auditing profession, which performs the functions of registration, inspection, investigation and disciplinary action. These audit oversight bodies are more able to be proactive as they can select auditors of listed companies for regular audit inspection. That is a means to ensure a reasonable quality in the audit of listed companies. The European Union, the USA, Japan and the Mainland, all advocate uniform systems of financial reporting, auditing and audit regulation. With uniform systems, mutual recognition is possible. This would greatly reduce the cost of listing in various jurisdictions by multinational corporations and would in turn facilitate free movement of capital for greater economic efficiency.

In Hong Kong, the HKICPA examines and registers auditors, reviews their practices and disciplines those who fall short of the standard required while the FRC performs enquiry and investigation. This is different from the regulatory frameworks in some other financial centres.

As an effective regulator for Hong Kong, one of the world's major financial centres, if the FRC were to conform to the world standard then Hong Kong could enjoy reciprocal arrangements with audit oversight bodies in other countries. This will be an issue for Hong Kong to consider for the future.

Enhancing accountability

To strengthen accountability, the Chief Executive of the HKSAR appointed an independent PRP effective from 1 November 2008. The PRP is responsible for reviewing the FRC's performance to ensure our employees have handled all cases in a fair and consistent manner and that decisions made and actions taken in relation to cases had adhered to the internal procedures and guidelines of the FRC. The PRP comprises a Chairman and four members. The Chairman of the FRC is an ex-officio member of the PRP.

Besides the review by the PRP, accountability was also enhanced through the reporting of the progress of our work to the Legislative Council Financial Affairs Panel at the annual meeting. Suggestions and advice from the Panel were duly followed-up.

Council and Committee meetings

The Council met six times during the year.

各地的金融中心，絕大部分已設立了獨立於審計行業的審計監管機構，執行登記、監察、調查及紀律處分等工作。這些審計監管機構，可主動地自行挑選上市公司核數師進行定期的審計檢查，以確保上市公司的審計質素維持一定水平。現時歐盟、美國、日本及內地，均提倡採用統一的財務匯報、審計及審計監管制度。統一的制度，有利於各國之間互相認可，使那些在不同司法管轄區內上市的跨國企業，大為節省上市費用，從而促進資金自由流動，提高經濟效益。

在香港，對核數師的考核、註冊和業務監察，以及對未能達到標準的核數師採取紀律處分，均屬香港會計師公會的工作範圍。財務匯報局則負責查訊及調查個案，這與部分其他金融中心的監管架構有所不同。

香港是全球主要金融中心之一，作為一個有效的監管機構，財務匯報局如能與全球的監管標準接軌，香港便能受惠於與其他國家的審計監管機構訂立互惠安排。這是香港在未來需要考慮的問題。

加強問責性

為加強本局的問責性，香港特別行政區行政長官已於二零零八年十一月一日委任了一個獨立的程序檢討委員會，負責檢閱財務匯報局的工作，以確保我們的同事均以公平一致的方式處理所有個案，而有關的決定及所採取的行動，亦已遵守本局的內部程序及指引。程序檢討委員會由一名主席及四名成員組成，財務匯報局主席為該委員會的當然成員。

為了進一步加強問責性，除了程序檢討委員會的檢閱外，本局亦會於每年與立法會財經事務委員會的會議上匯報工作進度。委員會曾給予的意見及建議，本局已作出適當的跟進。

財務匯報局成員及委員會會議

過去一年，財務匯報局成員共舉行了六次會議。

The Council will continue to receive advice from each of its four committees on relevant areas of its work. These are the Corporate Communications Committee, Operations Committee, Remuneration Committee and Tender Committee.

Connecting with the community

The FRC is still the 'new kid on the block' on Hong Kong's regulatory scene and is conscious of the need to ensure that the public understands its purpose and functions.

We meet regularly with the media and members of the accounting profession and we speak at seminars and conferences to help different sectors understand our role and functions.

Through our website, we explain to the public how we deal with complaints and share our experiences in investigating the cases (on a no-name basis) for educational purposes.

Our team

One director joined us during the year, while another left, so the total number of staff remains 11, including the CEO. There was no change in the Council's membership.

The FRC continued to benefit from the assistance of three highly experienced certified public accountants, acting as Honorary Advisers, to provide advice on cases of auditing irregularities, and the FRRP consisting of five Panel Convenors and 29 members, which probed into listed entities' non-compliance with accounting requirements.

Looking forward

We are committed to the objectives of independence, efficiency, transparency and accountability. However, there is always room for improvement in any of these aspects, and we will continue to aim ever higher.

The performance of many companies has been affected by the economic downturn. It is important to strengthen regulatory oversight of the auditors and the listed companies to ensure that financial statements present a true and fair view for the investing public.

A robust regulatory framework is important to Hong Kong's continued success as a major international financial centre. It is essential to keep in view the development in other financial centres over the world, as well as to ensure FRC's capability for effective cross-border regulatory

財務匯報局將繼續接收來自局內的四個委員會，分別為機構傳訊委員會、運作委員會、薪酬委員會及投標委員會，就各自有關的工作範疇所提供的意見。

與社區的聯繫

作為香港監管行列的「新晉」，我們深明有需要讓公眾了解財務匯報局成立的目的及其職能。

我們經常與傳媒及會計行業成員會面，並於會議及研討會上演說，令社會各界了解財務匯報局的角色及職能。

透過我們的網站，我們向公眾解釋財務匯報局如何處理投訴，並以不透露個案名字的形式，與他們分享本局從調查個案中所得的經驗，作為公眾教育。

我們的團隊

去年有一名調查總監加入我們的團隊，但有另一名調查總監離任，因此，包括行政總裁在內的職員總數，仍然維持於十一人。財務匯報局的成員，則沒有任何變動。

此外，本局有三位經驗豐富的會計師擔任名譽顧問，就與審計不當行為有關的個案，向本局提供意見。而財務匯報檢討委員會則由五名委員團召集人和二十九名成員組成，就不遵從會計規定的上市公司展開查訊。

對未來的展望

我們堅抱獨立運作、高效率、高透明度和富問責性的目標。誠然在各範疇上，我們皆有繼續改善的空間，本局將不斷尋求改進，以期達至更高標準。

由於經濟下滑，很多公司的業績均受重大影響。因此，加強對核數師及上市公司的監管更為重要，以確保公眾投資者能從財務報表中獲取真實而中肯的資料。

一個穩健的監管架構，對於香港繼續作為一個主要的國際金融中心至為重要。尤其當鼓勵更多內地及海外公司在香港交易所上市時，我們必須密切關注全球其他金融中心的

cooperation, especially if more Mainland and overseas companies are encouraged to list on Hong Kong's stock exchange.

The ambit of the FRC necessarily must evolve to become compatible with other jurisdictions' audit oversight frameworks and to respond to the new standard of supervision expected by the public.

Under the current business environment, the role of the FRC in detecting problems with financial reporting and auditing, which in turn acts as a preventive to deter future problems, is particularly important. We look forward to continue improving upon the duties vested in us - working closely with other regulators to promote corporate governance, enhancing the accounting and reporting standards of listed entities in Hong Kong and, more importantly, helping to safeguard investors' interests.

We will also explore more initiatives to continue improving our effectiveness to ensure we remain equipped to meet the expectations of the accounting profession and the public.

Having a stable and competent team is a prerequisite for outstanding performance and therefore we strive to maintain a good working environment that will attract and retain talent. We also take pride in being seen as a family-friendly employer.

A note of thanks

I would like to take this opportunity to express my gratitude to each individual member of the Council, FRRP and Advisory Panel for his or her enormous contributions over the past year.

I would also like to thank our own dedicated staff for their hard work and contributions in enabling the FRC to fulfil its statutory duties and to deliver high-quality work. I am very pleased that our team genuinely like their work, finding it interesting and meaningful so they perform not only with professionalism and commitment, but with high spirits.

I would also like to express my appreciation of and thanks to the Financial Services and Treasury Bureau, CRTF, SFC, HKEx and HKICPA for their support to the FRC.

發展，以及確保財務匯報局能有效地與海外監管機構進行跨境合作。

財務匯報局的工作範圍，必須繼續演進，才能與其他司法管轄區的審計監管架構接軌，並滿足公眾對新的監管標準的期望。

財務匯報局的職責，是監察財務匯報及審計，從而對可能發生的問題起預防作用，在目前的營商環境下，這項工作極為重要。本局在履行職務時力求改進，包括與其他監管機構緊密合作推動良好企業管治、提升香港上市公司的會計及匯報水平，以達到保障投資者利益的最終目標。

本局正積極探討實行更多新措施的可能性，以求持續改善績效和表現，確保能滿足會計行業及公眾的期望。

要有出色的表現，擁有一支穩定及能幹的團隊是先決條件，因此我們致力維持良好的工作環境，以吸引和保留人才。另外，本局亦對能被視為是對家庭友善的僱主而深感榮幸。

致謝

本人藉此機會，向財務匯報局、財務匯報檢討委員會團及顧問團每位成員，在過去一年對本局所作的貢獻深表感謝。

本人亦感謝本局職員的努力和貢獻，令財務匯報局能圓滿履行其法定職責，及以高質素完成工作。我們的團隊對工作充滿熱誠，對其職務感興趣之餘更體會其別具意義，因此，他們履行職務時，既專業亦勇於承擔，而且士氣高昂，本人深感欣慰。

最後，本人在此摯誠感謝財經事務及庫務局、公司註冊處營運基金、證監會、港交所及香港會計師公會對財務匯報局的支持。



Sophia Kao 高靜芝
Chairman 主席

CHIEF EXECUTIVE OFFICER'S REPORT

行政總裁報告

As the second year of my tenure as the inaugural CEO comes to a close, I am pleased to report the remarkable progress the FRC has seen over this time.

While my first year was focused on setting up the FRC and turning it into a fully operational body, my second year has been devoted to ensuring the FRC is an effective and efficient regulatory body.

We have seen a number of impressive achievements over these past 12 months, and have put in place a solid foundation for the continued successful operation of the FRC into the future.

Operational review

Review of modified auditor's reports

On 16 July 2008, a year after the establishment of the FRC, we began the task of reviewing modified auditor's reports to identify potential non-compliance with accounting requirements. We have reviewed 28 modified auditor's reports on financial statements for the year ended 31 March 2008 and after. Twenty-seven were completed by year's end and, in relation to the remaining one, a formal enquiry was necessary. The enquiry was still ongoing at the end of the year.

Review of complaints

During 2008, the FRC reviewed 21 complaints. Of these nine were received in the final quarter of 2007 and the rest in 2008. At end-2008, six cases were still under review and only one of them was more than six months old.

Sixty percent of the review of complaint cases completed in 2008 took fewer than eight weeks to complete, compared with 87% in 2007. This is because the 2007 cases were less complicated. The number of Secretariat's requests for information during the review of complaints serves as an indicator of the work involved in each review. The average number of requests for information sent by the Secretariat per review increased to 3.3 for reviews completed in 2008 from 1.5 for reviews completed in 2007.

今年是我在財務匯報局作為首任行政總裁任期的第二年。我很高興在這年度結束時，向大家匯報本局過往一年的進度。

在任第一年，我專注在財務匯報局成立初期，儘快使之全面投入運作。第二年則致力確保本局成為有效益及高效率的監管機構。

回顧過去十二個月，我們取得多項卓越成就，亦為財務匯報局在未來繼續成功運作奠定了良好的基礎。

運作檢討

審閱非無保留意見的審計報告

二零零八年七月十六日，亦即財務匯報局成立一週年，我們開始審閱非無保留意見的審計報告工作。我們一共審閱了二十八個就截至二零零八年三月三十一日止年度或之後年度的財務報表，所出具的非無保留意見審計報告，以找出是否有不遵從會計規定的事宜。其中二十七個報告已於年底完成審閱，餘下的一個需要進行正式查訊。該查訊工作於年底仍在進行中。

審閱投訴

二零零八年期間，財務匯報局共審閱了二十一宗投訴，其中九個投訴於二零零七年最後一季收到，而其餘則於二零零八年接獲。於二零零八年年終，六宗個案仍在審閱中，而其中只有一宗個案是接獲超過六個月的。

於二零零八年，百分之六十的已完成審閱個案，皆在八個星期內完成，而二零零七年則為百分之八十七。原因是二零零七年處理的個案比較簡單。秘書處處理個案時，所要求索取資料的次數，可作為每宗個案工作量的指標。據統計，秘書處就每宗個案要求索取資料的平均次數，由二零零七年的一點五次，增加至二零零八年的三點三次。

In terms of efficiency, there is an improvement in the response time of the Secretariat in 2008. 82% of our responses to complaints and other incoming information were within five days, compared with 68% in 2007. Listed companies, auditors and other parties also took less time to respond to the Secretariat's request for information, an average of 8.6 days in 2008 compared with 16.3 days in 2007.

No enquiry or investigation was initiated as a result of complaints in 2008.

One investigation and one enquiry were initiated in 2007. Both were completed in 2008.

Investigation

The investigation was conducted in relation to the audit of a company listed on the Growth Enterprise Market (GEM) Board.

The AIB prepared a report upon completion of the investigation. The auditor and the listed company involved in the investigation had been given sufficient opportunity to comment on the report. The views and suggestions of the Operations Committee and Honorary Advisers were considered. Different perspectives were discussed before the AIB arrived at a fair and equitable conclusion. The report was adopted by the Council on 4 December 2008 and had been referred to a specified enforcement agency for follow-up action.

“ While my first year was focused on setting up the FRC and turning it into a fully operational body, my second year has been devoted to ensuring the FRC is an effective and efficient regulatory body.

在任第一年，我專注在財務匯報局成立初期，儘快使之全面投入運作。第二年則致力確保本局成為有效益及高效率的監管機構。

M.T. Shum *Chief Executive Officer*
沈文燾 行政總裁

在效率方面，秘書處的回應時間於二零零八年有顯著的提升。在處理投訴及其他接獲資料方面，百分之八十二在五天内回應，而二零零七年則為百分之六十八。至於秘書處要求索取資料，上市公司、核數師及其他有關人士，均能在較短的時間內作出回應。二零零八年平均所需時間為八點六天，而二零零七年則為十六點三天。

於二零零八年，本局並無就任何接獲的投訴展開查訊或調查。

至於二零零七年展開的一宗調查及一宗查訊，均已於二零零八年內完成。

調查

本局所展開的一宗調查，與一間創業板上市公司的審計有關。

審計調查委員會在完成調查後，編製了一份報告。涉及調查的核數師與上市公司，均有充分機會就報告作出回應。審計調查委員會充分考慮了運作委員會及名譽顧問的意見及建議，亦就不同觀點作出討論，以達致公平公正的結論。財務匯報局於二零零八年十二月四日採納該報告，並已將個案轉介予一間指明的執行機構跟進。



Since this was the FRC's first report of an investigation, we undertook an extensive process to obtain the views of various parties. Therefore, it took 15 months to complete the investigation. We expect to be able to shorten this time as we gain more experience in this area of our work.

Enquiry

The enquiry conducted based on complaints was in relation to the consolidation of a subsidiary in the interim financial report of a company listed on the GEM Board, where there was a potential non-compliance with accounting requirements.

The Council appointed an FRRC from members of the FRRP to conduct the enquiry. Highly competent and experienced accountants are included on the FRRC, which means the public can be assured of high-quality decisions.

A report was prepared upon completion of the enquiry by the FRRC and was adopted by the Council on 29 May 2008. A notice has then been issued by the FRC to the listed company to request for the removal of the non-compliance with accounting requirements. The Council will consider publishing the findings of the enquiry in 2009, subject to the requirements of the FRC Ordinance.

For the enquiry initiated as a result of the review of modified auditor's reports, the company involved was listed on the Main Board and the issue was whether assumptions underlying the value-in-use calculations of certain property, plant and equipment were reasonable and supportable. The enquiry was still ongoing at the end of the year.

Fairness and transparency

Both the enquiry into non-compliance and the investigation of auditing or reporting irregularities involved the finding of facts. However, judgement is necessarily involved in decisions as to whether non-compliance or auditing or reporting irregularity has occurred.

Enquiries are conducted by FRRCs to ensure fairness.

鑒於這是財務匯報局的首份調查報告，我們廣泛地收集各有關方面意見，因而用了十五個月時間，才完成調查。隨著我們在這方面的經驗累增，我們預計未來能將調查和編製報告的時間縮短。

查訊

本局據投訴而展開的一項查訊，有關一間創業板上市公司的中期財務報告中，與附屬公司合併時，可能有不遵從會計規定的事宜。

財務匯報局在財務匯報檢討委員會中委任了一個財務匯報檢討委員會進行此項查訊。財務匯報檢討委員會的成員包括傑出及資深的會計師，以確保裁定結果的質素。

財務匯報檢討委員會在完成查訊後編製報告，此報告已於二零零八年五月二十九日被財務匯報局成員採納。財務匯報局亦已向該上市公司發出通知，要求糾正其不遵從會計規定的事宜。財務匯報局成員將就《財務匯報局條例》的規定，考慮於二零零九年發表查訊的結果。

至於另一項因審閱非無保留意見審計報告而作出的查訊，有關公司為主板上市公司。有關問題，為計算物業、廠房及設備使用價值的設定，是否合理及有充分支持。這項查訊在年底仍在進行中。

公平性及透明度

對有關不遵從會計規定的查訊，以及對審計或匯報上不當行為的調查，皆力求找出事實的真相。然而，要總結有否違規或在審計或匯報上行為不當，則必須基於事實作出客觀判斷。

查訊工作是由財務匯報檢討委員會進行，確保結果公正。

For investigations, we clearly separate the facts found during the investigation and the judgement of the AIB in our investigation reports. This allows readers to assess the views of the AIB on the basis of the findings in the reports.

To promote fairness and transparency in the process:

- Those named in the reports and would be adversely affected in case of publication or disclosure of any part of the report, were given the chance to review and comment on the draft reports so their views could be fully reflected in the final reports.
- The reports may be published depending on:
 - any follow-up action;
 - adverse effects on those named; and
 - public interest.
- When a review, investigation or enquiry is completed, the result of our work is communicated to the complainant and those involved in the process (including the auditor and the listed company).
- We release operations statistics and a summary of closed cases on the FRC website. This information is updated monthly.

So far, auditors and accountants involved have been very co-operative, providing us, in a timely manner, with the information and documents we requested. This is to be expected given the objective of the FRC is to uphold the quality of financial reporting and the public's confidence in the accounting and auditing professions. We hope the FRC and the accounting profession can continue to work together to attain this goal.

Risk management review

A comprehensive review of our risk management framework to identify and evaluate the risks faced by the FRC was completed during the year. A report setting out the measures taken to address such risks was presented to and endorsed by the Council. Risk management policies are reviewed from time to time and amended as and when necessary.

在調查報告裡，我們會將在調查中發現的事實，與審計調查委員會的判斷，清晰地分開臚列，讓讀者能根據調查報告的事實，評估審計調查委員會作出的意見。

為使過程更為公正及透明：

- 報告中被點名，並因該報告或報告中任何部份被發表或披露而蒙受不利影響的人士，均有機會審閱草擬報告，並作出評論，其意見會於最終報告中得到充分反映。
- 報告的發表取決於：
 - 有否跟進行動；
 - 對被點名人士的不利影響；及
 - 公眾利益。
- 當審閱、調查或查訊完成後，我們會將有關結果，通知投訴者及牽涉於過程中的人士，包括核數師及上市公司。
- 我們在財務匯報局網站，發佈運作統計數字及已完成個案的摘要。這資料會每月更新。

鑒於財務匯報局的目的為確保財務匯報的質素及公眾對會計及審計行業的信心，到目前為止，個案涉及的核數師及會計師均非常合作，並適時提供我們所要求的資料及文件。我們期望財務匯報局與會計行業繼續衷誠合作，以達致上述目標。

風險管理檢討

我們於過去一年詳細檢討財務匯報局的風險管理架構，以洞悉及評估本局所面對的風險。本局草擬了一份風險管理報告，當中列明對這些風險的應對措施，該報告已被財務匯報局成員批核和採納。本局亦不時檢討風險管理政策，並在有需要時作出修訂。

Financial review

The FRC recorded a surplus of HK\$1.8 million for 2008 and the accumulated surplus at 31 December 2008 was HK\$27.4 million.

Total expenditure for the period was HK\$8.7 million. Most went on staff costs of HK\$7.4 million and legal and professional fees of HK\$0.5 million, representing 85% and 5% of the total expenditure respectively. Staff costs increased by \$3.1 million compared with \$4.3 million in 2007. This was because the FRC was fully operational only with effect from 16 July 2007.

Though the \$10 million contribution per annum for the first three years of operation proves to be sufficient, we do foresee a need for an increase in funding and are pleased to note that the Government has begun discussions with the four funding parties on future funding arrangements.

A note of thanks

I would like to pay tribute to the hard work of my fellow colleagues, whom I regard as my friends. It is truly a great pleasure to work with them. The contribution of my colleagues is immeasurable in terms of the effort spent and the dedication to their work.

The coming year promises to present many challenges given the economic downturn. However, I am confident that the FRC will continue to build on its strengths and professionalism as an independent regulator. We will strive to maintain the highest standards of financial reporting, ensuring that public confidence remains high.

財務回顧

財務匯報局於二零零八年錄得一百八十萬港元盈餘，而截至二零零八年十二月三十一日的累積盈餘為二千七百四十萬港元。

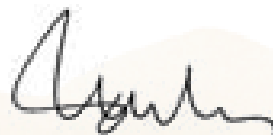
期內總開支為八百七十萬港元，主要包括七百四十萬港元的員工成本，以及五十萬港元的法律及專業費用，分別佔總開支的百分之八十五及百分之五。員工成本較二零零七年的四百三十萬港元，增加了三百一十萬港元，原因是本局於二零零七年七月十六日才正式運作。

財務匯報局現時所獲每年一千萬港元的撥款足以應付本局首三年的運作，但預計未來有需要增加撥款。我很高興，香港特區政府已開始與四間撥款機構就未來資源的安排進行討論。

致謝

本人感謝各同事的努力，大家衷誠共事，儼如朋友。能與他們合作，實為樂事。各同事無論在時間上的付出，以及對工作的盡心盡力，所作出的貢獻均是難以衡量的。

鑒於經濟不景，來年定必考驗重重。然而本人深信，作為獨立的監管機構，財務匯報局將在監管的能力及專業上不斷精進。我們會致力維持高質素的財務匯報，確保公眾的高度信心。



M.T. Shum 沈文燾

Chief Executive Officer 行政總裁

ORGANISATION STRUCTURE

組織架構







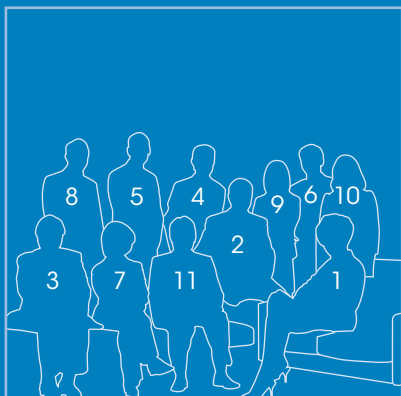
Heading in the
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目標一致

Our objective is to uphold the quality of financial reporting in Hong Kong.

我們的目標是確保香港財務匯報的質素。

FRC MEMBERS

財務匯報局成員



Chairman 主席

- 1 Ms. Sophia Kao, J.P.
高靜芝女士, J.P.

Members 成員

- 2 Mr. Bunny Chan, B.B.S., J.P.
陳振彬先生, B.B.S., J.P.
- 3 Mr. Moses Cheng, G.B.S., J.P.
鄭慕智先生, G.B.S., J.P.
- 4 Mr. Mark Dickens, J.P.
狄勤思先生, J.P.
- 5 Mr. Martin Hadaway
夏德威先生
- 6 Dr. P.M. Kam
甘博文博士
- 7 Hon. Mrs. Sophie Leung, G.B.S., J.P.
梁劉柔芬議員, G.B.S., J.P.
- 8 Mr. Vernon Moore, B.B.S.
莫偉龍先生, B.B.S.
- 9 Prof. Judy Tsui
徐林倩麗教授
- 10 Ms. Ada Chung (ex-officio)
鍾麗玲女士 (當然成員)
- 11 Mr. M.T. Shum, S.B.S. (ex-officio)
沈文燾先生, S.B.S. (當然成員)



FRC

The Financial
Reporting Council
財務匯報局



Chairman

Ms. Sophia Kao, J.P.

(appointed on 1 December 2006)

Ms. Kao possesses rich experience in human resources management, and was a lay member of the council of the HKICPA from December 2004 to November 2006. She is now the Chairperson of the Women's Commission.

Members

Mr. Bunny Chan, B.B.S., J.P.

(appointed on 1 October 2007)

Mr. Chan is the Chairman of Prospectful Holdings Limited. He is also the Chairman of the Kwun Tong District Council (Third Term) and is currently serving on a number of Government committees.

Mr. Moses Cheng, G.B.S., J.P.

(appointed on 1 December 2006 on nomination of HKEx)

Mr. Cheng is the senior partner of PC Woo & Co. He is a director of the HKEx and has extensive experience in the Listing Committee of The Stock Exchange of Hong Kong Limited.

Mr. Mark Dickens, J.P.

(appointed on 1 December 2006 on nomination of SFC)

Mr. Dickens has extensive experience in the regulation of securities and futures markets, and was previously an executive director of the SFC from January 1997 to March 2005.

Mr. Martin Hadaway

(appointed on 1 December 2006)

Mr. Hadaway is formerly the Chief Executive of Gammon Construction Limited and is the principal of Sunridge Management Limited. He is a Fellow of the Hong Kong Institution of Engineers and a member of the Vocational Training Council.

Dr. P.M. Kam

(appointed on 1 December 2006 on nomination of HKICPA)

Dr. Kam is a certified public accountant. He is the Group Financial Controller of Jardine Matheson Limited. He is a member of the Operations Review Committee of the Independent Commission Against Corruption and the Standards Advisory Council of the International Accounting Standards Board. He was the President of the then Hong Kong Society of Accountants (now renamed the HKICPA) in 1999 and 2000.

主席

高靜芝女士, J.P.

(於二零零六年十二月一日獲委任)

高女士擁有豐富的人事管理經驗，並曾於二零零四年十二月至二零零六年十一月出任香港會計師公會理事會的業外成員。她現任婦女事務委員會主席。

成員

陳振彬先生, B.B.S., J.P.

(於二零零七年十月一日獲委任)

陳先生是寶的集團有限公司主席，他亦是第三屆觀塘區議會主席及多個政府委員會的成員。

鄭慕智先生, G.B.S., J.P.

(於二零零六年十二月一日由港交所提名委任)

鄭先生是胡百全律師事務所的首席合夥人，也是港交所的董事，並就香港聯合交易所有限公司上市委員會的事務擁有豐富經驗。

狄勤思先生, J.P.

(於二零零六年十二月一日由證監會提名委任)

狄勤思先生對證券及期貨市場的監管有豐富經驗，他曾於一九九七年一月至二零零五年三月期間為證監會執行董事。

夏德威先生

(於二零零六年十二月一日獲委任)

夏德威先生曾任金門建築有限公司的行政總裁，現任Sunridge Management Limited總裁。他是香港工程師學會資深會員和職業訓練局成員。

甘博文博士

(於二零零六年十二月一日由香港會計師公會提名委任)

甘博士是一名會計師。他是怡和管理有限公司集團財務總監。現任廉政公署審查貪污舉報諮詢委員會及國際會計準則理事會準則顧問委員會成員。他曾在一九九九年及二零零零年出任香港會計師公會會長。

Hon. Mrs. Sophie Leung, G.B.S., J.P.

(appointed on 1 December 2006)

Mrs. Leung is a member of the Legislative Council representing the Textile and Garment constituency and the Chairperson of The Young Entrepreneurs Development Council (YDC).

Mr. Vernon Moore, B.B.S.

(appointed on 1 December 2006)

Mr. Moore is an executive director of CITIC Pacific Limited, and a non-executive director of Cathay Pacific Airways Limited and an independent non-executive director of CLP Holdings Limited. He has served as a council member of the then Hong Kong Society of Accountants and as a member of the Listing Committee of the SEHK. He is a certified public accountant.

Prof. Judy Tsui

(appointed on 1 December 2006)

Prof. Tsui is the Associate Vice President, Dean of the Faculty of Business and Chair Professor of Accounting at The Hong Kong Polytechnic University. She has published widely on corporate governance, and was a council member of the then Hong Kong Society of Accountants from December 2001 to December 2004. Prof. Tsui is a certified public accountant, and has been named Fellow of the Hong Kong Society of Accountants, Honorary Fellow of CPA Australia and Fellow of the Hong Kong Institute of Directors.

Ms. Ada Chung (ex-officio)

(from 1 October 2007)

Ms. Chung is both a certified public accountant and a barrister-at-law. Before her appointment as the Registrar of Companies on 27 August 2007, she was a Deputy Law Officer of the Department of Justice. Ms. Chung has joined the Civil Service since 1981.

Mr. M.T. Shum, S.B.S. (ex-officio)

(from 1 February 2007)

Mr. Shum is the Chief Executive Officer of the FRC. He is a certified public accountant and was the Director of Accounting Services from February 1999 to October 2003. He has served as an ex-officio council member of the then Hong Kong Society of Accountants for over four years.

梁劉柔芬議員, G.B.S., J.P.

(於二零零六年十二月一日獲委任)

梁劉柔芬議員是代表紡織及製衣界的立法會議員及青年企業家發展局主席。

莫偉龍先生, B.B.S.

(於二零零六年十二月一日獲委任)

莫偉龍先生是中信泰富有限公司的執行董事，亦是國泰航空公司的非執行董事及中電控股有限公司的獨立非執行董事。他曾任香港會計師公會理事會成員及聯交所上市委員會成員。他是一名會計師。

徐林倩麗教授

(於二零零六年十二月一日獲委任)

徐林倩麗教授是香港理工大學協理副校長、工商管理學院院長及會計學講座教授，在企業管治方面著述良多。於二零零一年十二月至二零零四年十二月期間擔任香港會計師公會理事會成員。徐林倩麗教授是一名會計師，並為香港會計師公會資深會員、澳洲會計師公會榮譽資深會員及香港董事學會資深會員。

鍾麗玲女士 (當然成員)

(由二零零七年十月一日起)

鍾女士是一名會計師及大律師。她於二零零七年八月二十七日獲委任為公司註冊處處長，前為律政司副民事法律專員。鍾女士於一九八一年加入政府工作。

沈文燾先生, S.B.S. (當然成員)

(由二零零七年二月一日起)

沈先生是財務匯報局行政總裁。他是一名會計師，曾於一九九九年二月至二零零三年十月期間出任庫務署署長。他曾為香港會計師公會理事會當然成員超過四年。



A person's hands are visible in the lower-left foreground, holding an open map. The map shows a network of roads and geographical features. The background is a blurred outdoor scene with green foliage and a body of water with white foam, suggesting a coastal or park setting. The overall lighting is bright and natural.

Mapping Out Our Route Together 共同規劃

Besides handling complaints, we started a new task of reviewing modified auditor's reports to identify potential non-compliance cases which require follow-up action.

除了處理投訴，我們新增審閱非無保留意見的審計報告的工作，若發現可能有不遵從會計規定的事宜，我們會作出跟進。

CORPORATE GOVERNANCE

企業管治

Good corporate governance is of paramount importance at all times, but particularly during this period of uncertainty. The FRC is mindful of its crucial role in underpinning confidence in Hong Kong's financial framework. We will continue to maintain a high standard of corporate governance by performing our regulatory role effectively and efficiently and always with the pursuit of excellence as our goal.

In the development of its corporate governance framework, the FRC has adopted the best practices of public entities as outlined in, "Governance in the Public Sector: A Governing Body Perspective, Study 13", issued by the International Federation of Accountants.

The Council's corporate governance framework covers many different areas: from the governing body itself to human resources and operational issues. In meeting its responsibility to the public, the FRC recognises the importance of maintaining transparency in its activities. Complaint statistics and annual reports are released on a timely basis to ensure up-to-date communication with the public. The FRC's performance in each area is discussed in more detail in the following sections.

Independence

The FRC's credibility rests on its independence from the accounting profession and this is reinforced by the fact that the FRC is governed by the Council and the majority of Council Members are lay people, i.e., non-accountants, including

保持良好企業管治在任何時候都極為重要，尤以現時充滿不明朗因素的期間為然。財務匯報局不忘其主要職責為鞏固各界對香港金融體制的信心，並將繼續有效地執行我們的監管職能，以維持高水平的企業管治，並以不斷追求卓越為目標。

建立企業管治架構時，財務匯報局已採納概述於國際會計師聯合會發表的《公共部門的管治：管治機構的角度，第十三號研究報告》“Governance in the Public Sector: A Governing Body Perspective, Study 13”內的公眾實體最佳常規。

本局的企業管治架構涵蓋多方面，包括管治機構本身，以至人力資源及運作事宜。為履行其公眾責任，財務匯報局深明保持其運作的透明度的重要性。因此，投訴統計數字及年報均會準時發佈，以確保公眾能獲得最新資訊。以下各段詳盡地說明了財務匯報局於各個範疇的表現。

獨立性

財務匯報局的誠信建基於其獨立於會計行業。另外，財務匯報局由財務匯報局成員負責監管其運作，而大部份成員，包括主席在內，均為業外人士，即非會計師，這使財務匯報局的獨



The signing of the MoU by Ms. Sophia Kao (left) and Mr. Albert Au, the President of the HKICPA on 20 February 2008. 高靜芝女士(左)及香港會計師公會主席區嘯翔先生於二零零八年二月二十日簽署《諒解備忘錄》。



Meeting with the delegates of the MoF on 22 September 2008. 二零零八年九月二十二日，與財政部代表團舉行會議。

the Chairman. The CEO is appointed by the Chief Executive of the HKSAR on the recommendation of the Council.

Transparency

The FRC is committed to openness and transparency in all its activities, subject to the need for confidentiality as required under the FRC Ordinance.

Summaries of closed complaint cases are published on our website. These summaries outline the allegations contained in the complaints received and the FRC's findings. They are updated on a monthly basis to keep the accounting profession and the public fully informed of how the FRC is handling the complaints it receives.

Operations are reported to the public through press releases and statistics published on our website. Since the launch of the FRC, operations statistics have been updated on a monthly basis and the operating procedures governing complaints, investigations and enquiries are available on our website. Upon completion of an investigation or enquiry, the Council may decide to publish the investigation or enquiry reports, if appropriate.

Complainants will, in most cases, be informed of the outcome of their complaints. There may however be exceptions, for instance if the case is being investigated by other regulators and/or law enforcement agencies. This is to ensure fairness for those involved in the cases.

立性得以進一步鞏固。至於行政總裁，則由香港特別行政區行政長官根據財務匯報局成員的推薦而委任。

透明度

財務匯報局需保持其所有運作的公開性及透明度，但同時亦需要遵守《財務匯報局條例》的保密規定。

財務匯報局透過網站公佈已完結的投訴摘要。投訴摘要概括了所接獲投訴的指控及財務匯報局的調查結果。此摘要每月更新，讓會計行業及公眾充分知悉財務匯報局如何處理所接獲的投訴。

財務匯報局亦透過新聞公報及刊登於本局網站內的統計數字，向公眾匯報其運作情況。本局自開始運作以來，每月均有更新運作統計數字。有關投訴、調查及查訊的運作程序亦可於本局網站內查閱。至於調查或查訊報告，本局會於調查或查訊後決定是否適合發表。

財務匯報局會將處理個案的結果通知投訴者。在特別情況下，例如個案已轉交其他監管機構及/或執法機構進行調查，則不會將個案結果通知投訴者，以確保涉及該等個案的有關人士獲得公平對待。



At the media reception on 19 March 2008, the FRC announced the publication of its first annual report.
財務匯報局於二零零八年三月十九日舉行的傳媒茶敘上，宣佈發表首份年報。



Presentation of souvenir after a talk at the Hong Kong Shue Yan University on 10 December 2008.
二零零八年十二月十日，於香港樹仁大學演說後獲頒發紀念品時的合照。

Communication

To promote effective communication with the public, the FRC has adopted an open and proactive policy. It posts on its website comprehensive information about the FRC's role and activities; its annual reports are also posted for public perusal. It takes part in interviews and seminars and holds press conferences to foster two-way communication with other regulators and the public.

The Council

The FRC at present comprises 11 Council Members and they form the highest governing board. The Council provides directives to the CEO and the Secretariat and oversees the performance of the statutory functions.

Of the current 11 Council Members – eight are appointed by the Chief Executive of the HKSAR for a three-year term from 1 December 2006, and one is appointed for the period from 1 October 2007 to 30 November 2009. Three of the appointed members are nominated respectively by the HKEx, the HKICPA and the SFC. There are two ex-officio members – the Registrar of Companies, or his/her representative, and the CEO.

The FRC Ordinance provides that a majority of the Council Members (including the non-executive Chairman) shall be lay people. As of 31 December 2008, six Council Members, including the Chairman, were lay people. Council Members, other than the CEO, are not remunerated.

The Council meets once every two months and holds additional meetings as necessary. It also resolves matters by circulation of papers. In 2008, the Council held six formal meetings. The meetings and proceedings of the Council are set out under the FRC Ordinance. All important policies and strategies are deliberated and decided by the Council.

Council Members receive timely and adequate information enabling them to consider issues to be discussed at Council meetings. Management accounts are submitted to the Council for information and review at every Council meeting.

溝通

財務匯報局一直採取公開及積極的政策與公眾保持良好溝通。財務匯報局在其網站發佈有關職責及工作的資訊，亦會發佈其年度報告以供公眾查閱。財務匯報局亦不時接受訪問，參與研討會，及舉行記者招待會，以保持與其他監管機構及公眾的雙向溝通。

財務匯報局成員

財務匯報局成員為財務匯報局的最高管治層，現時由十一名成員組成，專責指示及監管行政總裁及秘書處，以執行其法定職能。

現時本局的十一名成員當中有八名成員是由香港特別行政區行政長官委任，任期由二零零六年十二月一日開始，為期三年。其餘一名委任成員的任期，則為二零零七年十月一日至二零零九年十一月三十日。委任成員中，其中三名是由港交所、香港會計師公會及證監會提名。另外，本局有兩名當然成員，分別為公司註冊處處長或其代表，及財務匯報局行政總裁。

根據《財務匯報局條例》，財務匯報局成員，包括主席在內，須超過半數為業外人士。於二零零八年十二月三十一日，共有六名成員，包括主席在內，為業外人士。本局成員，除行政總裁外，均沒有領取酬金。

本局每兩個月舉行一次會議，並會按需要而召開額外會議，另外，亦會以書面傳閱方式進行議決。本局於二零零八年共舉行過六次正式會議。《財務匯報局條例》列明財務匯報局的會議及程序。所有重要政策及策略，必須經過本局成員的討論及批准。

財務匯報局成員均準時獲得充足的資料，以便於本局會議上討論有關事項。另外，成員均會於每次會議中，收到管理賬目，以供參考及審閱。

The CEO is responsible for executing the Council's policies and decisions and is charged with the effective day-to-day management and operations of the FRC. The CEO reports regularly to the Council on operational matters and provides advice to the Council.

行政總裁負責執行本局成員會議的政策及決定，並負責財務匯報局日常的管理及運作。行政總裁會定期於本局成員會議中，匯報運作事宜及提供意見。

Council meetings

The following table summarises the attendance of Council Members from 1 January 2008 to 31 December 2008.

財務匯報局成員會議

以下為財務匯報局成員於二零零八年一月一日至十二月三十一日的會議出席率。

Number of meetings 會議次數	6	
Sophia Kao (Chairman) 高靜芝 (主席)	6 / 6	100%
Bunny Chan 陳振彬	3 / 6	50%
Moses Cheng 鄭慕智	4 / 6	67%
Mark Dickens 狄勤思	6 / 6	100%
Martin Hadaway 夏德威	5 / 6	83%
P.M. Kam 甘博文	6 / 6	100%
Sophie Leung 梁劉柔芬	5 / 6	83%
Vernon Moore 莫偉龍	5 / 6	83%
Judy Tsui 徐林倩麗	4 / 6	67%
Ada Chung (Registrar of Companies) 鍾麗玲 (公司註冊處處長)	6 / 6	100%
M.T.Shum (CEO) 沈文燾 (行政總裁)	5 / 6	83%
Average attendance at meetings 平均會議出席率		83%



Council Members in meeting on 4 December 2008.
二零零八年十二月四日的財務匯報局成員會議。

Balance of responsibility

The FRC is structured to maintain an appropriate balance of responsibility among the Council and the Secretariat. Under the current structure, the Council is responsible for overseeing the FRC's overall policy and decision-making, while the Secretariat is responsible for managing and administering its day-to-day operations.

To ensure the highest standards of corporate governance, the Secretariat assigns a director to take charge of each case and at least one other director to review the case material before any decision is made or any action is taken.

Code of conduct

The FRC is fully cognisant of its obligations to the public and strives to perform its role in an ethical and principled manner. It requires a high level of integrity from its staff and anyone who performs a function under the FRC Ordinance. All FRC staff members are subject to a Code of Conduct to which they must strictly adhere while performing any role for the FRC. The standards of conduct – regarding conflicts of interest, confidentiality and personal investments – are set out in the code. The Code of Conduct is reviewed and updated regularly to ensure that it is consistent with the current best practices.

Conflicts of interest

Those performing functions under the FRC Ordinance, including Council Members, members of the FRRC, AIB, Advisory Panel and FRC staff members, are legally bound to declare any interest they may have in a case. The Council will consider every conflict of interest and determine if the person concerned should take part in any deliberations or decision-making regarding a particular case. Declarations are made before any information about a case is released to these members.

Confidentiality

It is inevitable that FRC staff members are exposed to confidential information in the process of reviewing complaints, performing investigations, and conducting enquiries. Therefore, confidentiality is considered of utmost importance. Under the preservation of secrecy provision contained in the FRC Ordinance, disclosure of restricted information – obtained in the process of performing a function under the FRC Ordinance – is a criminal offence.

責任平衡

財務匯報局的架構令財務匯報局成員與秘書處之間在責任上得到適當的平衡。根據現行的架構，財務匯報局成員負責監管財務匯報局的整體政策及作出議決，而秘書處則負責管理及執行其日常的運作。

為確保高水平的企業管治，財務匯報局秘書處會指派專員負責每一個個案，並在作出任何決定或採取任何行動前，指派至少另一名專員審閱個案資料。

操守守則

財務匯報局深知其公眾責任，並於履行職責時嚴守道德標準及操守守則。因此本局要求職員及任何根據《財務匯報局條例》執行其職能的人士擁有高度誠信。所有財務匯報局的職員於履行任何財務匯報局的職責時，均須嚴格遵守操守守則。有關利益衝突、保密及個人投資的操守準則均已載於操守守則內。本局會定期檢討及更新操守守則，以確保符合當時的最佳常規。

利益衝突

根據《財務匯報局條例》執行職能的人士，包括財務匯報局成員、財務匯報檢討委員會成員、審計調查委員會成員、顧問團成員及財務匯報局職員，均有法律責任申報與個案相關的利益。本局成員將考慮任何申報的利益衝突，並決定涉及利益衝突的人士，可否參與有關該個案的任何討論或決定。上述成員須於取得有關該個案的任何資料前作出申報。

保密

財務匯報局的職員必定會於審閱投訴、作出調查及查訊的過程中，接觸機密資料。因此，保密是極為重要的。根據《財務匯報局條例》的保密條文，披露於執行職能過程中所獲得的受限制資料，屬刑事罪行。

Personal investments

On taking up employment with the FRC, staff members are required to report all their securities holdings, as well as those of their spouses, dependent children under 21 years old or controlled entities. They must report their year-end securities holdings on or before 15 January each year as well as report each sale and purchase of listed securities within two weeks of the transaction.

Data protection

The FRC gives high priority to the protection of data from unauthorised disclosure or loss. Thus it prohibits the transfer of any sensitive or restricted data unless it is in encrypted format.

Similarly, no material containing confidential information should be removed from the office except in exceptional circumstances. In the event that there is a need to take such material out of the office, staff members must ensure the risk and consequences of data loss are minimised and seek prior permission from the CEO. If the material is in electronic form, staff must use a USB flash drive that automatically encrypts all files as they are transferred from the desktop computer.

Accountability and audit

Finance and accounting

The FRC is required to submit estimates of income and expenditure for each financial year to the Secretary for Financial Services and the Treasury for approval. The Council is responsible for overseeing the preparation of the annual financial statements, which must give a true and fair view of the FRC's state of affairs, results and cash flows. The Council is also responsible for ensuring that proper accounting records are kept.

The FRC's financial statements are audited by the Director of Audit. The annual financial statements and a report of the FRC's activities are submitted to the Secretary for Financial Services and the Treasury and tabled in the Legislative Council.

個人投資

財務匯報局所聘職員於上任時，均須申報自己、配偶、二十一歲以下的供養子女，及控股公司的證券投資情況，並於每年一月十五日前申報年終證券投資詳情，及於每次交易起兩周內報告交易詳情。

資料保護

財務匯報局非常重視資料的保護，以避免遺失或未經授權而披露資料。因此，任何載有敏感或受限制資料的文件，必須經過加密才可傳送。

同樣地，除特別情況外，任何機密資料均不能帶離辦公室。如有需要將該等資料帶離辦公室，職員必須確保資料遺失的風險及後果已降至最低，並需獲得行政總裁預先批准。如資料屬電子文件，職員在電腦下載該等文件時，必須使用可自動加密的數碼記憶體。

問責及審計

財務及賬目

財務匯報局須呈交每個財政年度的收支預算予財經事務及庫務局局長批准。財務匯報局成員負責監管年度財務報表的編製，該報表須真實並中肯地反映財務匯報局的財務狀況、業績及現金流量。本局成員亦負責確保備存妥善的會計紀錄。

財務匯報局的財務報表由審計署署長審計。年度財務報表及財務匯報局事務報告須呈交財經事務及庫務局局長，並提交立法會省覽。

Process Review Panel

In 2008, to strengthen the FRC's accountability and transparency, the Chief Executive of the HKSAR appointed an independent, non-statutory PRP. The PRP will conduct reviews of the FRC's operating procedures to ensure that they are fair and reasonable and to determine whether, in handling cases or in taking actions or making decisions, the FRC has followed its internal procedures for due process.

The PRP, comprising a chairman, four members including the Chairman of the FRC as an ex-officio member, was formed on 1 November 2008. At the outset, the Secretariat thoroughly briefed panel members on the functions and procedures of the FRC.

The PRP will select for review a number of cases and advise the FRC on the adequacy of its operating procedures in regard to these cases.

The PRP will submit annual reports to the Secretary for Financial Services and the Treasury, which may publish the reports, subject to the relevant statutory secrecy provisions and other confidentiality requirements.

Prevention of corruption

The Independent Commission Against Corruption (ICAC) has reviewed the FRC's operating procedures for corruption prevention and has provided advice on its Code of Conduct. The FRC will continue to work with the ICAC to enhance further the efficacy of its internal policies and procedures.

Internal control

The Council gives high priority to its responsibilities for maintaining a sound and effective internal control system, a clear organisational structure with defined authority, and proper segregation of duties.

The review of internal control policies covers the entire gamut of FRC activity. There are prescribed policies and guidelines for personnel administration, procurement, authorisation of transactions and safeguarding of assets. The Secretariat prepares the annual budget, which is endorsed by the Council, then approved by the Secretary for Financial Services and the Treasury.

程序檢討委員會

為加強財務匯報局的問責性及透明度，香港特別行政區行政長官於二零零八年委任了一個獨立及非法定的程序檢討委員會。程序檢討委員會將審閱財務匯報局的運作程序，以確保程序公正合理，並釐定財務匯報局於處理個案，採取行動或作出決定時有否遵守其內部程序。

於二零零八年十一月一日成立的程序檢討委員會，由主席及四名成員組成，財務匯報局主席為當然成員。委員會剛成立時，財務匯報局秘書處已向委員會成員詳細介紹財務匯報局的職能及程序。

程序檢討委員會將揀選某部份個案審閱，並就該等個案的運作程序是否適當向財務匯報局提供意見。

程序檢討委員會將呈交年度報告予財經事務及庫務局局長。財經事務及庫務局局長在遵守有關法定保密條文及其他保密規定的情況下，可選擇發表該報告。

防止貪污

廉政公署已審閱財務匯報局的運作程序，以防止貪污，並就其操守守則提供意見。財務匯報局將繼續與廉政公署合作，以進一步改善本局內部政策及程序。

內部監控

財務匯報局對保持健全及有效的內部監控系統，清晰的組織架構，及明確劃分的職權，非常重視。

財務匯報局所有工作的內部監控政策均經審閱。在人事管理、採購、交易授權及資產保護方面，均有指定的政策及指引。財務匯報局秘書處編製年度預算，由財務匯報局成員批核，再呈交財經事務及庫務局局長批准。

Risk management framework

The FRC is a not-for-profit organisation, therefore many of the risks faced by business enterprises are not applicable. The risks, to which the FRC is exposed, include:

- Business interruption due to external circumstances
- Computer failure
- Damage to physical property
- Default of bank
- Employee fraud
- Injury to employees
- Professional liability
- Public liability
- Staff turnover

The FRC has evaluated these risks and developed measures to address them. These policies are included in our risk management report and are reviewed from time to time, as and when necessary.

Maintaining a competent team

Training and development programmes

The effectiveness of internal controls relies on the performance of staff and, to no lesser degree, the integrity of staff. The FRC has structured training and development programmes to ensure that the right competencies and talents are in place or are being developed to meet our objectives and long-term succession requirements.

Staff remuneration

The FRC believes that a fair and competitive reward system is a key driver of staff performance. Our remuneration policy is designed to enhance individual performance and motivation.

After considering recommendations from the CEO, the Remuneration Committee advises the Council on remuneration-related policy matters such as, remuneration structure, pay levels, yearly pay adjustments, staff performance bonuses and other terms and conditions of employment. Remuneration of FRC staff members is determined by market conditions and work performance. The Chief Executive of the HKSAR determines the remuneration of the CEO.

風險管理架構

財務匯報局為非牟利組織，因此無須面對營商企業所面對的大部分風險。財務匯報局面對的風險主要包括：

- 因外在環境因素而導致業務受到干擾
- 電腦故障
- 有形資產的損害
- 銀行拖欠款項
- 僱員欺詐
- 僱員受傷
- 專業責任
- 公眾責任
- 員工流失

財務匯報局已評估以上風險並制訂應對措施。該等政策載於本局的風險管理報告內，並會不時，及於必要時，予以檢討。

維持能勝任的團隊

培訓及發展計劃

內部監控的有效性取決於員工的表現及誠信。財務匯報局已制訂培訓及發展計劃，以確保員工具備所需的能力和才幹，及繼續發展，以達到本局的目標及長遠人才更替的要求。

員工薪酬

財務匯報局相信，公平及具競爭力的獎勵制度是提升員工表現的重要推動因素。本局的薪酬政策旨在提升個人的表現及動力。

薪酬委員會經考慮行政總裁的建議後，會就有關薪酬政策的事宜，包括薪酬架構、薪酬水平、每年薪酬調整、員工表現獎勵及其他僱用條款及條件，向財務匯報局成員提供意見。財務匯報局員工的薪酬按市場情況及員工表現釐定。行政總裁的薪酬，則由香港特別行政區行政長官釐定。

Going Forward As a Team 並肩向前

We work closely with other regulators to enhance protection for investors.

我們與其他監管機構緊密合作，以加強對投資者的保障。





STATISTICS AND ANALYSIS OF REVIEWED CASES

已處理個案的統計數字及個案分析

Review of complaints

Throughout the year, the FRC continued to receive a steady flow of complaints, all of which were examined carefully before a decision was made. Progress as at 31 December 2008 on the review of complaints since starting operations was as follows:

審閱投訴

財務匯報局於本年度繼續接獲數量平穩的投訴個案。個案均經財務匯報局仔細研究後作出決定。由開始運作至二零零八年十二月三十一日審閱投訴的進度如下：



Notes :

1. Reviews are suspended pending results of investigations by specified enforcement agencies.
2. After the FRC reviewed the complaints by reference to the material provided by the respective complainants and the additional information obtained from the parties concerned, it considered that the complaints had no merit or the parties concerned had provided a satisfactory explanation to support the claim that there was no auditing or reporting irregularity, or non-compliance with accounting requirements.
3. The FRC discussed the alleged non-compliance with the complainee who subsequently published a clarification announcement. The issue was satisfactorily resolved without initiating an investigation or enquiry.
4. Cases not within the remit of the FRC or those requiring follow-up action are referred to specified enforcement agencies. According to the FRC Ordinance, "specified enforcement agency" means the Commissioner of Police of Hong Kong, the Commissioner of the ICAC, the HKICPA, the HKEX, the SFC, the Registrar of Companies, the Monetary Authority, the Insurance Authority, the Commissioner of Inland Revenue, the Official Receiver, the Mandatory Provident Fund Schemes Authority, or the Market Misconduct Tribunal.
5. After the completion of the enquiry, a notice to remove the non-compliance with accounting requirements was issued by the FRC to the listed company.
6. After the completion of the investigation, the case was referred to a specified enforcement agency.

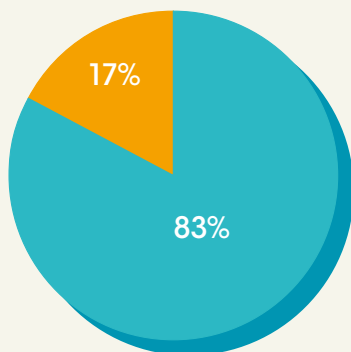
註解：

1. 個案審閱暫停，以等待指明執行機構的調查結果。
2. 財務匯報局審閱投訴者提供的資料及有關人士提供的進一步資料後，認為該等投訴無充分理據，或是有關人士已提供合理解釋支持沒有審計或匯報方面的不當行為，或不遵從會計規定的事宜。
3. 財務匯報局與被投訴人商談不遵從事宜的指控後，被投訴人刊登一份澄清公告。個案在無需展開調查或查訊的情況下圓滿解決。
4. 不屬於財務匯報局的職權範圍內或需要採取跟進行動的個案會被轉交予指明執行機構。根據《財務匯報局條例》，「指明執行機構」指香港警務處處長、廉政專員、香港會計師公會、港交所、證監會、公司註冊處處長、金融管理專員、保險業監督、稅務局局長、破產管理署署長、強制性公積金計劃管理局或市場失當行為審裁處。
5. 財務匯報局在完成查訊後已發出通知，要求上市公司糾正有關不遵從會計規定的事宜。
6. 個案在完成調查後已轉交予一指明執行機構。

Analysis of complaints received

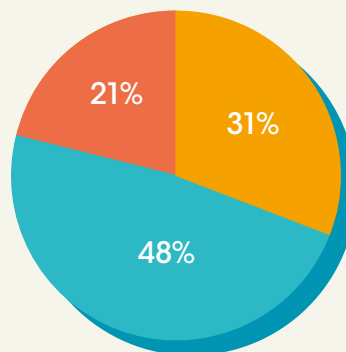
投訴個案的分析

- (1) Stock markets on which companies related to complaints are listed
涉及投訴的公司所上市的股票市場



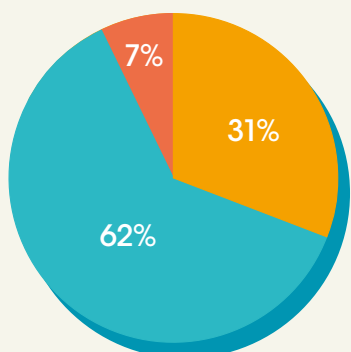
- 24 Main Board 主板
- 5 GEM Board 創業板

- (2) Source of complaints
投訴來源



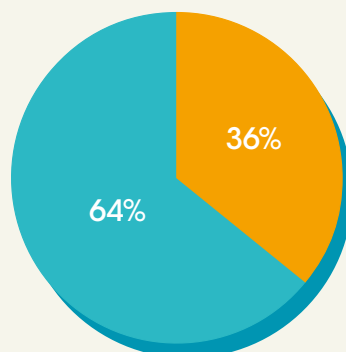
- 9 Members of the public 公眾人士
- 14 Government bodies and specified enforcement agencies
政府機構及指明執行機構
- 6 Anonymous 匿名人士

- (3) Nature of complaints
投訴性質



- 9 Auditing irregularities 審計方面的不當行為
- 18 Non-compliances with accounting requirements
不遵從會計規定的事宜
- 2 Both auditing irregularities and non-compliance
同時涉及審計不當行為及不遵從事宜

- (4) Size of accounting firms related to the 11 complaints of auditing irregularities (see chart 3)
11宗對審計方面不當行為的投訴所涉及的會計師行的規模 (見圖3)



- 4 Big 4 四大會計師行
- 7 Other accounting firms 其他會計師行

Issues encountered in relation to complaints of auditing irregularities

- Whether audit planning was adequate
- Whether the auditor failed to obtain sufficient evidence, for example in cases where:
 - no external confirmation was sent for certain receivables
 - non-existence of property, plant and equipment was not uncovered
- Whether the auditor exercised sufficient professional scepticism when:
 - sales were unusually high in certain quarters of the year and no additional audit procedures were performed to look into this issue
 - revenue and gross profit declined significantly, resulting in operating loss but no impairment tests for property, plant and equipment were performed
- Whether there was sufficient documentation of the audit procedures performed and audit evidence obtained to support audit conclusions
- Whether the auditor failed to:
 - identify non-compliances with accounting requirements
 - identify significant internal control weaknesses
 - express a modified opinion
 - inform the listed entity of a modification of auditor's report in time
 - provide clearance for the bulk print of the annual report in time
- Whether there was a conspiracy between the auditor and the directors to misstate financial statements

Issues encountered in relation to complaints of non-compliances with accounting requirements

- Convertible bond
 - whether a convertible bond contained an equity element
 - whether the liability element should be disclosed as a current or non-current liability

投訴審計不當行為所涉及的問題

- 審計計劃是否足夠
- 核數師是否未有取得足夠審計證據，例如：
 - 某些應收款項並無要求確認函
 - 核數師沒有發現某些物業、廠房及設備並不存在
- 核數師是否有行使足夠的專業懷疑態度：
 - 一年內某些季度的銷售額特別高，但核數師並沒有對此問題進行額外審計程序
 - 收益及毛利大幅下跌，導致出現經營虧損，但並無對物業、廠房及設備進行減值測試
- 是否有足夠的文件編製，記錄審計程序及證據，以支持其審計結論
- 核數師是否未能：
 - 發現不遵從會計規定的事宜
 - 發現重大的內部監控缺點
 - 適當地發表非無保留意見
 - 及時知會上市公司其將於審計報告內發表非無保留意見
 - 及時同意印刷年報
- 核數師和董事是否合謀在財務報表中作出虛假陳述

投訴不遵從會計規定的事宜所涉及的問題

- 可換股債券
 - 可換股債券是否包含股本權益部份
 - 可換股債券的負債部份應披露為流動或是非流動負債

- Consolidation
 - whether control existed and an entity in the group should be accounted for as a subsidiary
 - whether the parent properly deconsolidated a subsidiary after it was put into liquidation and accounted for it as an available for sale investment
 - whether all reasonable means were exhausted in obtaining information for the consolidation of a subsidiary
 - whether goodwill was inappropriately recognised if it was subsequently impaired in the year of acquisition
 - how contingent consideration should be accounted for based on a profit guarantee arrangement
 - why shares and bonds issued for acquisition were not recognised at fair value
- Financial instruments
 - whether certain investments were properly classified and accounted for in accordance with the relevant accounting standards
 - whether the disclosure in relation to derivative financial instruments was sufficient
 - whether the extent of risks arising from the derivative financial instruments was underestimated in the sensitivity analysis
- Impairment
 - whether assumptions underlying the value-in-use calculations of certain property, plant and equipment were reasonable and supportable
 - whether huge impairment loss recognised in the current year indicated impairment issues in previous years
 - whether intangible assets recognised and then fully impaired in the same year implied an issue of impairment at the initial recognition of the intangible assets
 - whether a disclaimer opinion in relation to the carrying value of an intangible asset and a related receivable suggested an issue of impairment
- 合併賬目
 - 對集團內某公司是否有控制權，而於合併賬目時，應否將該公司視作附屬公司處理
 - 附屬公司清盤後，母公司賬目是否不再將該附屬公司賬目合併處理，並將該公司確認為可供出售投資
 - 於合併附屬公司賬目時，是否已採取一切合理方法取得有關附屬公司的資料
 - 確認商譽後於同一年內將之減值，有關商譽的確認是否不恰當
 - 應如何根據盈利保證金安排將或然代價入賬
 - 因進行收購而發行的股份及債券，為何並非按公允價值確認入賬
- 金融工具
 - 某些投資是否已根據有關會計準則妥為分類及入賬
 - 是否充份披露有關衍生金融工具的資料
 - 進行敏感度分析時，是否低估了衍生金融工具的風險程度
- 減值
 - 計算某些物業、廠房及設備的使用價值時所作出的假設，是否合理及有充份理據支持
 - 如於本年度確認大額減值損失，是否代表過往年度亦有減值問題
 - 確認無形資產後於同一年內將其全數減值，是否表示於首次確認無形資產時已出現減值問題
 - 核數師對無形資產的賬面值及有關應收款項拒絕表示意見，是否表示出現減值問題

STATISTICS AND ANALYSIS OF REVIEWED CASES

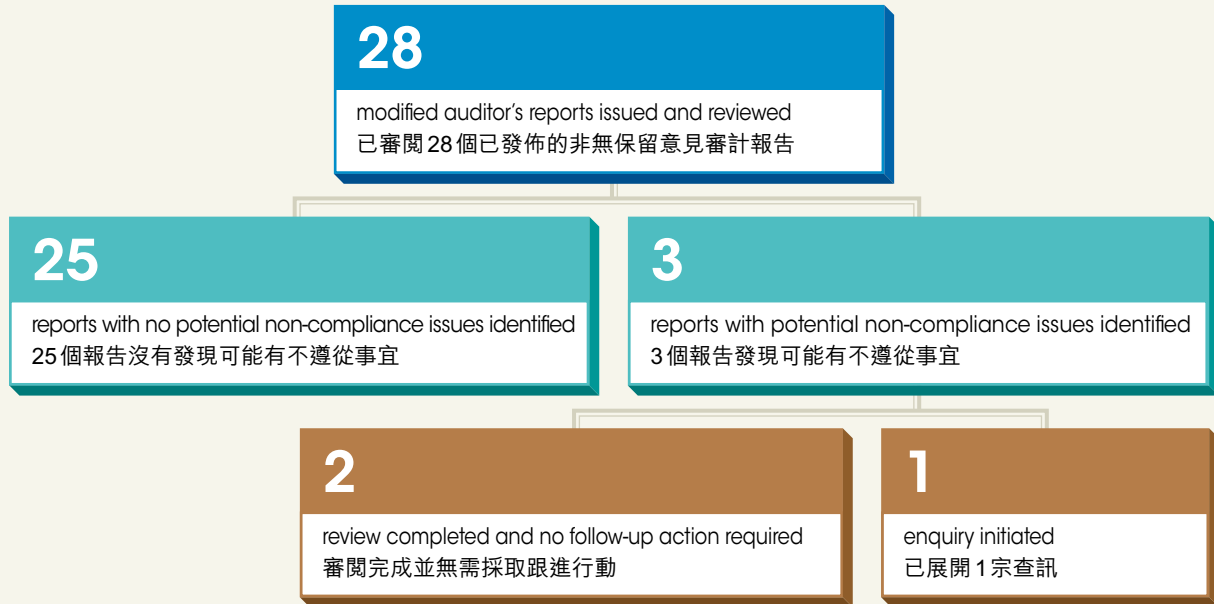
- Fair value gain
 - whether the recognition of gains arising from the initial acquisition of an asset at fair value and from a subsequent change in fair value was appropriate
- Timing of recognition
 - why the change of accounting estimates in relation to the useful lives of certain equipment identified in the current year's annual report was only reflected in the following year's financial statements
 - why expenses were recorded in the year of payment, but not when the expenses were incurred
 - whether the provision for doubtful debts should have been made earlier
- Failure to disclose:
 - restrictions on certain assets
 - related party transactions
 - certain capital commitments
 - the accounting policy of significant assets firstly recognised in the interim financial report
- Inappropriate or incorrect calculation
 - incorrect calculation of earnings per share for interim period based on annualised earnings
 - incorrect ageing analysis of certain receivables
- Other issues
 - adjusting the amounts recognised in the financial statements to reflect a non-adjusting event after the balance sheet date
 - inappropriate accounting treatment in relation to intra-group balances denominated in foreign currencies
- 公允價值收益
 - 根據首次收購資產時所確認的公允價值，及其後公允價值的變動而確認收益是否恰當
- 確認時間
 - 為何於本年度的年報中披露，若干設備可使用年期的會計估計有所變動，但該變動僅於下一年度的財務報表中反映
 - 為何開支於支付的年度確認入賬，而非於產生時確認
 - 是否應於較早時撥備呆壞賬
- 沒有披露：
 - 某些資產的限制
 - 關連人士交易
 - 部份資本承擔
 - 首次於中期財務報告中確認的重大資產所採用的會計政策
- 不恰當或錯誤的計算
 - 錯誤地以年度盈利計算每股中期盈利
 - 某些應收款項的賬齡分析不正確
- 其他問題
 - 調整財務報表中的金額，以反映於結算日後出現的一項非調整事項
 - 不恰當地處理以外幣計值的集團內部往來金額

Review of modified auditor's reports

Progress on the review of modified auditor's reports since it started on 16 July 2008 is as follows:

審閱非無保留意見的審計報告

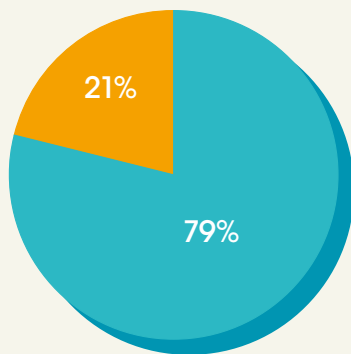
自二零零八年七月十六日起，審閱非無保留意見的審計報告的進度如下：



Analysis of modified auditor's reports reviewed

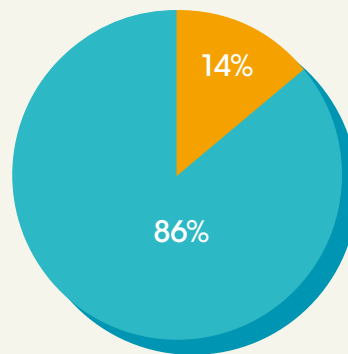
已審閱的非無保留意見審計報告的分析

- (1) Stock markets on which companies with modified auditor's reports are listed
涉及非無保留意見審計報告的公司所上市的股票市場



- 22 Main Board 主板
- 6 GEM Board 創業板

- (2) Size of accounting firms involved in the issuance of the modified auditor's reports
發表非無保留意見審計報告的會計師行的規模



- 4 Big 4 四大會計師行
- 24 Other accounting firms 其他會計師行

Among all the modified auditor's reports reviewed, three reports with potential non-compliance issues requiring a more detailed review were identified. Modification in these reports relates to asset valuation, related party transactions and impairment loss.

在所有已審閱的非無保留意見審計報告中，發現三份可能涉及不遵從事宜，需作更詳細的審閱。此三份報告內的非無保留意見，與資產估值、關連人士交易及減值損失有關。

REPORT OF THE DIRECTOR OF AUDIT 審計署署長報告



香港特別行政區政府
審計署

Independent Audit Report

獨立審計報告

To the Financial Reporting Council

致財務匯報局

I have audited the financial statements of the Financial Reporting Council set out on pages 44 to 57, which comprise the statement of financial position as at 31 December 2008, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

我已審計列載於第44至57頁財務匯報局的財務報表，該等財務報表包括於2008年12月31日的財務狀況表與截至該日止年度的綜合收入表、資金變動表和現金流量表，以及主要會計政策概要及其他附註解釋。

Financial Reporting Council's responsibility for the financial statements

The Financial Reporting Council is responsible for the preparation and the true and fair presentation of these financial statements in accordance with section 18(2) of the Financial Reporting Council Ordinance (Cap. 588) and International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

財務匯報局就財務報表須承擔的責任

財務匯報局須負責按照《財務匯報局條例》(第588章)第18(2)條及國際財務報告準則，擬備及真實而中肯地列報該等財務報表。這責任包括設計、實施及維護與擬備及真實而中肯地列報財務報表有關的內部控制，以使財務報表不存有由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；以及按情況作出合理的會計估計。

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 19(1) of the Financial Reporting Council Ordinance and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審計師的責任

我的責任是根據我的審計對該等財務報表作出意見。我已按照《財務匯報局條例》第19(1)條及審計署的審計準則進行審計。這些準則要求我遵守道德規範，並規劃及執行審計，以合理確定財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Financial Reporting Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the Financial Reporting Council as at 31 December 2008 and of its results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with section 18(2) of the Financial Reporting Council Ordinance.

CHAN Bar-keung
Assistant Director of Audit
for Director of Audit

Audit Commission
26th Floor, Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

5 February 2009

審計涉及執行程序以獲取有關財務報表所載金額及披露資料的審計憑證。所選定的程序取決於審計師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，審計師考慮與財務匯報局擬備及真實而中肯地列報財務報表有關的內部控制，以設計適當的審計程序，但並非為對財務匯報局的內部控制的效能發表意見。審計亦包括評價財務匯報局所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我相信，我所獲得的審計憑證是充足和適當地為我的審計意見提供基礎。

意見

我認為，該等財務報表已按照國際財務報告準則真實而中肯地反映財務匯報局於2008年12月31日的事務狀況及截至該日止年度的業績及現金流量，並已按照《財務匯報局條例》第18(2)條妥為擬備。

審計署署長
審計署助理署長
陳霸強代行

審計署
香港灣仔
告士打道7號
入境事務大樓26樓

2009年2月5日

FINANCIAL STATEMENTS

財務報表

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2008

綜合收入表

截至二零零八年十二月三十一日止年度

		Note	Year ended 31 December 2008 HK\$ 截至二零零八年 十二月三十一日止年度 港元	Period from 1 December 2006 (date of establishment) to 31 December 2007 HK\$ 二零零六年十二月一日 (設立日期)至二零零七年 十二月三十一日 港元
		附註		
Income	收入			
Annual contribution	每年投入資金	4	10,000,000	10,000,000
Non-recurrent contribution	非經常性投入資金	4	-	20,000,000
Interest income	利息收入	5	507,111	1,009,069
			10,507,111	31,009,069
Expenditure	支出			
Staff costs	員工成本	6	(7,415,295)	(4,287,580)
Staff recruitment expenses	招募員工支出		(154,594)	(491,550)
Depreciation expense	折舊支出		(129,232)	(64,885)
Other operating expenses	其他營運支出	7	(1,008,051)	(612,399)
			(8,707,172)	(5,456,414)
Surplus and total comprehensive income for the year/period	年/期內盈餘及 總綜合收入		1,799,939	25,552,655

STATEMENT OF FINANCIAL POSITION

As at 31 December 2008

財務狀況表

於二零零八年十二月三十一日

		Note	2008	2007
		附註	HK\$	HK\$
			港元	港元
Non-current assets	非流動資產			
Office equipment and furniture	辦公室設備及傢具	9	283,172	375,864
Current assets	流動資產			
Interest receivable	應收利息		9,002	58,405
Prepayments and deposits	預付款項及按金	10	132,208	133,747
Time deposits	定期存款	11	27,400,000	25,500,000
Bank balances and cash	銀行結餘及現金	12	264,310	146,774
Total current assets	流動資產總值		27,805,520	25,838,926
Current liabilities	流動負債			
Accounts payable	應付賬款		(736,098)	(662,135)
Net current assets	流動資產淨值		27,069,422	25,176,791
Total assets less current liabilities	總資產減流動負債		27,352,594	25,552,655
Funds	資金			
General fund	一般資金	13	7,352,594	5,552,655
Reserve fund	儲備金	13	20,000,000	20,000,000
Total funds	總資金		27,352,594	25,552,655

Approved by the Financial Reporting Council on 5 February 2009

於2009年2月5日獲財務匯報局批准


Sophia Kao 高靜芝
Chairman 主席

M.T. Shum 沈文燾
Chief Executive Officer 行政總裁

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2008

資金變動表

截至二零零八年十二月三十一日止年度

		General fund HK\$ 一般資金 港元	Reserve fund HK\$ 儲備金 港元	Total funds HK\$ 總資金 港元
At 1 December 2006 (date of establishment)	於二零零六年十二月一日 (設立日期)	-	-	-
Total comprehensive income for the period	期內總綜合收入	25,552,655	-	25,552,655
Transfer from general fund to reserve fund	由一般資金轉至儲備金	(20,000,000)	20,000,000	-
At 31 December 2007	於二零零七年十二月三十一日	5,552,655	20,000,000	25,552,655
Total comprehensive income for the year	年內總綜合收入	1,799,939	-	1,799,939
At 31 December 2008	於二零零八年十二月三十一日	7,352,594	20,000,000	27,352,594

STATEMENT OF CASH FLOWS

For the year ended 31 December 2008

現金流量表

截至二零零八年十二月三十一日止年度

		Year ended 31 December 2008 HK\$	Period from 1 December 2006 (date of establishment) to 31 December 2007 HK\$ 二零零六年 十二月一日 (設立日期) 至二零零七年 十二月三十一日 港元
Cash flows from operating activities	經營活動產生之現金流量		
Surplus for the year/period	年/期內盈餘	1,799,939	25,552,655
Adjustments for:	調整項目：		
Depreciation expense	折舊支出	129,232	64,885
Interest income	利息收入	(507,111)	(1,009,069)
Decrease/(increase) in prepayments and deposits	預付款項及按金減少/(增加)	1,539	(133,747)
Increase in accounts payable	應付賬款增加	73,963	662,135
Net cash inflow from operating activities	經營活動產生之現金流入淨額	1,497,562	25,136,859
Cash flows from investing activities	投資活動產生之現金流量		
Purchases of office equipment and furniture	購買辦公室設備及傢具	(36,540)	(440,749)
Interest received	已收利息	556,514	950,664
Net cash inflow from investing activities	投資活動產生之現金流入淨額	519,974	509,915
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	2,017,536	25,646,774
Cash and cash equivalents at beginning of the year/period	於年/期初之現金及現金等價物	25,646,774	-
Cash and cash equivalents at end of the year/period	於年/期末之現金及現金等價物	27,664,310	25,646,774
Analysis of balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Time deposits	定期存款	27,400,000	25,500,000
Bank balances and cash	銀行結餘及現金	264,310	146,774
		27,664,310	25,646,774

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. General

The Financial Reporting Council (the FRC) was established in Hong Kong under the Financial Reporting Council Ordinance (the FRC Ordinance, Cap. 588), which was enacted on 13 July 2006. Its office address is 29th Floor, High Block, Queensway Government Offices, 66 Queensway, Hong Kong.

The financial statements are presented in Hong Kong dollar, which is the functional currency of the FRC.

2. Principal Activities

The functions of the FRC are set out in the FRC Ordinance. The FRC is empowered by the FRC Ordinance to conduct investigations concerning auditing and reporting irregularities, and to make enquiries into non-compliances with financial reporting requirements.

3. Summary of Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They have been prepared under the historical cost convention.

The FRC has early adopted the following revised standard which is relevant but not yet effective for the current year's financial statements:

IAS 1 (Revised) Presentation of Financial Statements

Except for presentation and disclosure requirements, the above revised standard does not have any impact on the FRC's financial statements.

Due to the nature of its operation, the FRC does not have any funds that it regards as its capital.

財務報表附註

截至二零零八年十二月三十一日止年度

1. 一般資料

財務匯報局是根據於二零零六年七月十三日制定的《財務匯報局條例》(第588章)在香港設立。其地址為香港金鐘道66號金鐘道政府合署高座29樓。

本財務報表以港元(即財務匯報局之功能貨幣)列值。

2. 主要活動

財務匯報局之職責列明於《財務匯報局條例》。《財務匯報局條例》賦予財務匯報局權力就審計及匯報方面的不當行為進行調查，及就不遵從財務匯報規定的事宜展開查訊。

3. 主要會計政策概要

(a) 編製基準

本財務報表乃按國際財務報告準則編製而成，並根據歷史成本法編製。

財務匯報局提前採用下列與本年度之財務報表相關，但尚未生效之經修訂準則：

國際會計準則第1號(經修訂)財務報表的列報

除列報及披露規定外，以上經修訂準則對財務匯報局之財務報表並無其他影響。

由於其營運性質，財務匯報局並無任何資金被視為資本。

3. Summary of Significant Accounting Policies (continued)

(b) Office equipment and furniture

Office equipment and furniture are stated at cost less accumulated depreciation and any impairment losses, except that items that cost less than HK\$5,000 are expensed in the period of acquisition. The cost of an item of office equipment and furniture comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated on the straight-line basis to write off the cost of each item of office equipment and furniture over its estimated useful life after considering its estimated residual value. The respective useful lives are as follows:

Computers	3 years
Other office equipment	7 years
Office furniture and fixtures	10 years

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of office equipment and furniture is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement, being the difference between the net sales proceeds and the carrying amount of the relevant asset, is recognised in the statement of comprehensive income in the period the asset is derecognised.

Impairment loss

At each financial year end, the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior periods. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策概要 (續)

(b) 辦公室設備及傢具

辦公室設備及傢具按成本減累計折舊及任何減值損失列賬，惟成本少於5,000港元的項目則於購入期間確認為支出。辦公室設備及傢具項目之成本包括其購買價格及將資產運抵指定地點並使其達到預定的方式進行運轉所必需的狀態而發生的直接可歸屬成本。

折舊乃按個別辦公室設備及傢具項目之估計可使用壽命並考慮估計殘值後，以直線法攤銷其成本。各項目之可使用壽命如下：

電腦	3年
其他辦公室設備	7年
辦公室傢具及裝置	10年

殘值、可使用壽命及折舊方法最少於每個年度結束時進行審核及調整(如適用)。

辦公室設備及傢具項目於處置時或預期通過使用該資產不能產生未來經濟利益時終止確認。因其處置或報廢之任何利得或損失(即處置淨收入和該資產之賬面金額的差額)將於其終止確認之期間確認於綜合收入表中。

減值損失

在每一個財政年度結束時，資產之賬面金額會被審核，以評估是否存在該等資產可能已經減值的跡象。倘資產之可收回金額估計少於其賬面金額，則資產之賬面金額會減值至其可收回金額。減值損失會立即確認為支出。

倘減值損失其後轉回，資產的賬面金額會增加至其經修訂的估計可收回金額，惟增加後的賬面金額，不得高於若資產以前期間沒有確認減值損失的賬面金額。減值損失的轉回會立即確認為收入。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

3. Summary of Significant Accounting Policies (continued)**(c) Financial assets**

Financial assets include interest receivable, time deposits and other bank balances. They are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised when there is objective evidence that the asset is impaired. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

A financial asset is derecognised where the rights to receive cash flows from the asset have expired or the FRC has transferred substantially all the risks and rewards of ownership of the asset.

(d) Financial liabilities

Financial liabilities include accounts payable and are measured at cost.

A financial liability is derecognised when the relevant obligation is discharged, cancelled or expires.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

財務報表附註

截至二零零八年十二月三十一日止年度

3. 主要會計政策概要 (續)**(c) 金融資產**

金融資產包括應收利息、定期存款及其他銀行結餘，均按採用實際利率法計算之攤餘成本減任何已確認的減值損失入賬。減值損失會於有客觀證據表明資產發生減值時確認，並按該資產之賬面金額與按照其初始實際利率折現的預計未來現金流量現值之間的差額計量。減值損失會確認於綜合收入表中。

任何減值損失於其後轉回會確認於綜合收入表中，惟於轉回當日有關資產的賬面金額不得超過其攤餘成本。

倘從資產獲收現金流量的權利到期或財務匯報局已轉讓該資產所有權上幾乎所有的風險和報酬，則會終止確認該金融資產。

(d) 金融負債

金融負債包括應付賬款並以成本計量。

金融負債於相關的義務解除、取消或到期時終止確認。

(e) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行存款和其他短期而高流動性，可隨時換算為已知數額的現金，在購入時距離期滿日不超過三個月，而且所涉及的價值變動風險不大的投資。

3. Summary of Significant Accounting Policies (continued)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Unconditional and non-refundable contributions are recognised as income when they become receivable.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(g) Employee benefits

Salaries and paid annual leave are accrued in the period in which the employees rendered the associated services.

Provision for bonus payments are recognised when the FRC has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate can be made.

Contributions to Mandatory Provident Fund (MPF) are charged as an expense when employees have rendered services entitling them to the contributions.

3. 主要會計政策概要 (續)

(f) 收入確認

收入以其已收或應收對價的公允價值來計量。

無條件及不可發還之資金在其成為應收款項時確認為收入。

利息收入按權責發生制以實際利率法確認，實際利率是指金融資產在預計存續期的估計未來現金收款額恰好折現為該金融資產的賬面淨額的利率。

(g) 員工福利

薪酬及有薪年假於員工提供相關服務期內確認。

倘因過去事項而承擔了現時發放花紅的法律或推定責任，以及所涉金額能夠可靠地估計時，會確認花紅撥備。

當僱員提供服務而享有強制性公積金計劃供款時，供款在僱員提供相關服務時確認為支出。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

4. Contributions

Contributions represent funds received from the following parties:

Year ended 31 December 2008:

	Annual contribution HK\$ 每年 投入資金 港元	Non- recurrent contribution HK\$ 非經常性 投入資金 港元	Total HK\$ 總數 港元
Companies Registry Trading Fund (CRTF) 公司註冊處營運基金	2,500,000	-	2,500,000
Hong Kong Institute of Certified Public Accountants (HKICPA) 香港會計師公會	2,500,000	-	2,500,000
Securities and Futures Commission (SFC) 證券及期貨事務監察委員會 (證監會)	2,500,000	-	2,500,000
Hong Kong Exchanges and Clearing Limited (HKEx) 香港交易及結算所有限公司 (港交所)	2,500,000	-	2,500,000
	<u>10,000,000</u>	<u>-</u>	<u>10,000,000</u>

Period from 1 December 2006 (date of establishment)
to 31 December 2007:

	Annual contribution HK\$ 每年 投入資金 港元	Non- recurrent contribution HK\$ 非經常性 投入資金 港元	Total HK\$ 總數 港元
CRTF 公司註冊處營運基金	2,500,000	5,000,000	7,500,000
HKICPA 香港會計師公會	2,500,000	5,000,000	7,500,000
SFC 證監會	2,500,000	5,000,000	7,500,000
HKEx 港交所	2,500,000	5,000,000	7,500,000
	<u>10,000,000</u>	<u>20,000,000</u>	<u>30,000,000</u>

財務報表附註

截至二零零八年十二月三十一日止年度

4. 資金投入

資金是指由下列機構投入之款項：

截至二零零八年十二月三十一日止年度：

	Annual contribution HK\$ 每年 投入資金 港元	Non- recurrent contribution HK\$ 非經常性 投入資金 港元	Total HK\$ 總數 港元
Companies Registry Trading Fund (CRTF) 公司註冊處營運基金	2,500,000	-	2,500,000
Hong Kong Institute of Certified Public Accountants (HKICPA) 香港會計師公會	2,500,000	-	2,500,000
Securities and Futures Commission (SFC) 證券及期貨事務監察委員會 (證監會)	2,500,000	-	2,500,000
Hong Kong Exchanges and Clearing Limited (HKEx) 香港交易及結算所有限公司 (港交所)	2,500,000	-	2,500,000
	<u>10,000,000</u>	<u>-</u>	<u>10,000,000</u>

二零零六年十二月一日 (設立日期)
至二零零七年十二月三十一日：

	Annual contribution HK\$ 每年 投入資金 港元	Non- recurrent contribution HK\$ 非經常性 投入資金 港元	Total HK\$ 總數 港元
CRTF 公司註冊處營運基金	2,500,000	5,000,000	7,500,000
HKICPA 香港會計師公會	2,500,000	5,000,000	7,500,000
SFC 證監會	2,500,000	5,000,000	7,500,000
HKEx 港交所	2,500,000	5,000,000	7,500,000
	<u>10,000,000</u>	<u>20,000,000</u>	<u>30,000,000</u>

4. Contributions (continued)

The CRTF, HKICPA, SFC and HKEx signed a Memorandum of Understanding (MoU) regarding the funding arrangement of the FRC. Each party agreed to contribute an annual amount of HK\$2.5 million to the FRC for the first three years to meet its operational needs. In addition, each party contributed a lump-sum amount of HK\$5 million to enable the FRC to set up a reserve fund. All these contributions are not refundable.

The office premises of the FRC are provided by the CRTF free of charge. All the related utility and sewage charges, outgoings, costs and expenses incurred in repairing, maintaining and managing the office premises are paid by the CRTF.

5. Interest Income

Interest income was earned from time deposits and other bank balances which are carried at amortised cost.

6. Staff Costs

4. 資金投入(續)

公司註冊處營運基金、香港會計師公會、證監會及港交所就財務匯報局之資金安排簽署諒解備忘錄。各機構同意首三年每年向財務匯報局投入二百五十萬港元，以供財務匯報局應付營運所需。此外，各機構投入一筆過五百萬港元，以供財務匯報局成立儲備金。所有已投入的資金均不可發還。

財務匯報局之辦公室由公司註冊處營運基金免費提供。所有相關設施及污水費用、其他開銷、維修、保養及管理辦公室的成本及支出均由公司註冊處營運基金支付。

5. 利息收入

利息收入來自按攤餘成本入賬之定期存款及其他銀行結餘。

6. 員工成本

	Year ended 31 December 2008 HK\$ 截至二零零八年 十二月三十一日止年度 港元	Period from 1 December 2006 (date of establishment) to 31 December 2007 HK\$ 二零零六年十二月一日 (設立日期)至二零零七年 十二月三十一日 港元
Salaries and bonuses 薪酬及花紅	7,145,017	4,070,423
Medical insurance 醫療保險	147,461	55,948
MPF contributions 強制性公積金供款	102,595	63,229
Others 其他	20,222	97,980
	7,415,295	4,287,580

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

6. Staff Costs (continued)

Staff costs included the emoluments of the Chief Executive Officer amounting to HK\$2,183,609 (2007: HK\$2,014,506), which comprised salaries of HK\$1,800,000 (2007: HK\$1,650,000), bonus of HK\$317,647 (2007: HK\$290,669), medical insurance of HK\$26,913 (2007: HK\$15,983), MPF contributions of HK\$12,000 (2007: HK\$11,000) and accrued annual leave of HK\$27,049 (2007: HK\$46,854).

7. Other Operating Expenses

Legal and professional fees	法律及專業費用	463,295	164,736
Publications	出版刊物費用	159,588	-
Conferences and duty visits	會議及差旅費用	129,093	-
Office equipment and furniture	辦公室設備及傢具	25,534	191,515
Others	其他	230,541	256,148

財務報表附註

截至二零零八年十二月三十一日止年度

6. 員工成本(續)

員工成本包括行政總裁之酬金2,183,609港元(二零零七年:2,014,506港元),當中包括薪酬1,800,000港元(二零零七年:1,650,000港元)、花紅317,647港元(二零零七年:290,669港元)、醫療保險26,913港元(二零零七年:15,983港元)、強制性公積金供款12,000港元(二零零七年:11,000港元)及累計年假27,049港元(二零零七年:46,854港元)。

7. 其他營運支出

Year ended 31 December 2008 HK\$	Period from 1 December 2006 (date of establishment) to 31 December 2007 HK\$
截至二零零八年 十二月三十一日止年度 港元	二零零六年十二月一日 (設立日期)至二零零七年 十二月三十一日 港元
463,295	164,736
159,588	-
129,093	-
25,534	191,515
230,541	256,148
1,008,051	612,399

8. Taxation

Pursuant to section 16 of the FRC Ordinance, the FRC is exempt from taxation under the Inland Revenue Ordinance (Cap. 112).

8. 稅項

根據《財務匯報局條例》第16條,財務匯報局獲豁免而無須根據稅務條例(第112章)繳稅。

9. Office Equipment and Furniture

9. 辦公室設備及傢具

		Computers HK\$ 電腦 港元	Other office equipment HK\$ 其他 辦公室設備 港元	Office furniture and fixtures HK\$ 辦公室 傢具及裝置 港元	Total HK\$ 總數 港元
Cost	成本				
At 1 December 2006 (date of establishment)	於二零零六年 十二月一日 (設立日期)	-	-	-	-
Additions	購入	336,758	89,591	14,400	440,749
At 31 December 2007	於二零零七年 十二月三十一日	336,758	89,591	14,400	440,749
Additions	購入	-	-	36,540	36,540
At 31 December 2008	於二零零八年 十二月三十一日	336,758	89,591	50,940	477,289
Accumulated depreciation	累計折舊				
At 1 December 2006 (date of establishment)	於二零零六年 十二月一日 (設立日期)	-	-	-	-
Charge for the period	期內支出	(56,819)	(7,466)	(600)	(64,885)
At 31 December 2007	於二零零七年 十二月三十一日	(56,819)	(7,466)	(600)	(64,885)
Charge for the year	年內支出	(112,253)	(12,799)	(4,180)	(129,232)
At 31 December 2008	於二零零八年 十二月三十一日	(169,072)	(20,265)	(4,780)	(194,117)
Net book value	賬面淨值				
At 31 December 2008	於二零零八年 十二月三十一日	167,686	69,326	46,160	283,172
At 31 December 2007	於二零零七年 十二月三十一日	279,939	82,125	13,800	375,864

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

10. Prepayments and Deposits

		2008 HK\$ 港元	2007 HK\$ 港元
Medical insurance	醫療保險	89,151	60,800
Professional liability insurance	專業責任保險	21,775	23,288
Staff training and development	員工培訓及發展	6,075	-
Retainer fee	聘用費	-	45,973
Others	其他	15,207	3,686
		132,208	133,747

11. Time Deposits

Time deposits represent one-month term deposits which carry fixed interest ranging from 0.3% to 0.5% per annum (2007: 3.8% per annum).

11. 定期存款

定期存款指一個月期限之定期存款，按固定年利率由0.3厘至0.5厘計息（二零零七年：3.8厘年利率）。

12. Bank Balances and Cash

		2008 HK\$ 港元	2007 HK\$ 港元
Cash on hand	手頭現金	4,801	2,545
Savings account	儲蓄存款	222,405	96,814
Current account	支票活期存款	37,104	47,415
		264,310	146,774

12. 銀行結餘及現金

13. Funds

General fund represents the operating surplus of the FRC's recurrent funding.

Reserve fund represents the non-recurrent contributions received from the CRTF, HKICPA, SFC and HKEx at the establishment of the FRC according to the MoU (See note 4). The reserve fund is to be deployed to meet any inadequacies of the recurrent funding and other exigencies of circumstances.

13. 資金

一般資金乃指財務匯報局經常性資金之經營盈餘。

儲備金指公司註冊處營運基金、香港會計師公會、證監會及港交所根據諒解備忘錄設立財務匯報局時所投入的非經常性資金（見附註4）。儲備金可於經常性資金不足及其他緊急情況下動用。

14. Financial Risks

The FRC's financial assets include interest receivable, time deposits and other bank balances. The FRC's financial liabilities include accounts payable.

The carrying amounts of the FRC's financial assets and financial liabilities approximate to their fair values.

(a) Credit risk

The FRC's maximum exposure to credit risk is represented by the carrying amount of the financial assets as set out on the statement of financial position.

The credit risk on these financial assets is limited because the time deposits and other bank balances were placed with a licensed and creditworthy commercial bank in Hong Kong.

(b) Liquidity risk

The FRC has a strong cash position and therefore has a very low level of liquidity risk.

(c) Market risk

Currency risk

The FRC received its funding and settled all its expenses in Hong Kong dollar. Its financial assets and financial liabilities were all denominated in Hong Kong dollar. Hence, the FRC is not exposed to any currency risk.

Interest rate risk

The FRC is exposed to cash flow interest rate risk in respect of funds deposited in savings account which carries interest at floating rates.

The FRC has placed one-month term deposits with a creditworthy commercial bank in Hong Kong, which carry fixed interest rate and are therefore exposed to fair value interest rate risk. The one-month term deposits are renewed monthly depending on the cash flow requirements of the FRC. Since the maturity of the deposits is very short, the exposure to fair value interest rate risk is limited.

14. 金融風險

財務匯報局之金融資產包括應收利息、定期存款及其他銀行結餘。財務匯報局之金融負債包括應付賬款。

財務匯報局之金融資產及金融負債之賬面金額接近其公允價值。

(a) 信用風險

財務匯報局所承擔之最高信用風險為財務狀況表中反映之金融資產賬面金額。

由於定期存款及其他銀行結餘均存放於香港一間持牌及具誠信之商業銀行，故該等金融資產之信用風險有限。

(b) 流動性風險

財務匯報局之現金狀況充裕，因此流動性風險相當低。

(c) 市場風險

貨幣風險

財務匯報局收取之資金為港元，並以港元支付所有開支。而所有金融資產及負債均以港元為單位。因此，財務匯報局並無承擔任何貨幣風險。

利率風險

由於存於儲蓄賬戶之資金乃按浮動利率計息，故財務匯報局承擔現金流量利率風險。

財務匯報局於香港一間具誠信之商業銀行存放一個月定期存款，並按固定利率計息，財務匯報局因此承擔公允價值利率風險。該等一個月定期存款因應財務匯報局之現金流量需要而每月續期。由於存款之期限相當短，故承擔之公允價值利率風險有限。

MEMBERSHIP OF PANELS AND COMMITTEES

委員團及委員會成員

Financial Reporting Review Panel

Members of the FRRP are appointed by the Chief Executive of the HKSAR in consultation with the Council. The Council may appoint an FRRC, consisting of at least five panel members including a Convenor, to conduct an enquiry into non-compliances with accounting requirements in relation to a listed entity. In performing its function, an FRRC may exercise powers in accordance with the FRC Ordinance, to require information and explanation from any relevant party.

The FRRP now has 34 members, including five Convenors. They are appointed because of their experience in accounting, auditing, finance, banking, law, administration, or management.

財務匯報檢討委員團

財務匯報檢討委員團成員乃由香港特別行政區行政長官經諮詢財務匯報局後委任。本局成員可委任最少五名委員團成員，當中包括一名召集人，組成財務匯報檢討委員會，就上市實體的不遵從會計要求的事宜展開查訊。在履行職責時，財務匯報檢討委員會可行使《財務匯報局條例》所賦予的權力，要求任何有關方面，提供資料及解釋。

財務匯報檢討委員團現時有三十四名成員，當中五名為召集人。成員均由於其會計、審計、金融、銀行、法律、行政或管理的經驗而獲委任。

Panel Convenors	委員團召集人
Mr. FUNG Ying-wai, Wilson	馮英偉先生
Prof. LAU Hing-ling, Amy	劉盧希齡教授
Dr. LI Ka-cheung, Eric, G.B.S., J.P.	李家祥博士, G.B.S., J.P.
Mr. LIE Tai-chong, David, J.P.	李大壯先生, J.P.
Mr. Roderic N.A. SAGE	薛樂德先生
Ms. Elisabeth Charlotte SCOTT (resigned on 31 March 2008)	Elisabeth Charlotte SCOTT 女士 (於二零零八年三月三十一日離任)

Members	成員
Mr. Roger Thomas BEST, J.P.	路沛翹先生, J.P.
Mr. Paul BROUGH	彭博倫先生
Mr. CHAN Ka-ling, Edmond	陳嘉齡先生
Ms. CHAN Wai-hing, Annie	陳惠卿女士
Ms. CHAU Suet-fung, Dilys	周雪鳳女士
Mrs. CHENG TANG Ho-kuen, Lina	鄭鄧荷娟女士
Mr. CHEUNG Ching-leung, David	張正樑先生
Prof. CHEUNG Yan-leung, Stephen, J.P.	張仁良教授, J.P.
Ms. CHEW Sein-mene	趙善敏女士
Mr. DING Wai-chuen, Raphael	丁偉銓先生
Mr. FUNG Pui-cheung, Eugene	馮培漳先生
Mr. Chris HALL	賀祈思先生
Mr. LAM Chi-yuen, Nelson	林智遠先生
Mr. Kenneth LAM	林侃先生
Mr. LAU Siu-ki, Kevin	劉紹基先生
Ms. LEE Sau-wai, Cecilia	李秀慧女士
Ms. LEE Tso-yun, Carol	李祖恩女士
Mr. John Robert LEES	John Robert LEES 先生
Mr. LI Man-bun, Brian David	李民斌先生
Prof. LOW Chee-keong	劉殖強教授
Ms. Ayesha Abbas MACPHERSON	麥嘉軒女士
Ms. NGAN Man-ling, Edith	顏文玲女士
Ms. Josephine PRICE	潘佐芬女士
Mr. Stephen TAYLOR	Stephen TAYLOR 先生
Mr. Carlson TONG, J.P.	唐家成先生, J.P.
Mr. TSOI Tong-hoo, Tony	蔡東豪先生
Mr. Paul F. WINKELMANN	Paul F. WINKELMANN 先生
Mr. WONG Hong-yuen, Peter, G.B.S., J.P.	黃匡源先生, G.B.S., J.P.
Mr. WONG Tak-wai, Alvin	黃德偉先生

Audit Investigation Board

The CEO is the ex-officio Chairman of the AIB. Other members of the AIB, who are normally staff members of the FRC, are appointed by the Council. The Council may direct the AIB to conduct an investigation of auditing irregularities, exercising powers conferred on it by the FRC Ordinance.

審計調查委員會

行政總裁是審計調查委員會的當然主席，而審計調查委員會的其他成員，由財務匯報局成員委任，一般為財務匯報局職員。本局成員可指示審計調查委員會行使《財務匯報局條例》所賦予的權力，就審計方面的不當行為展開調查。

Chairman	主席
Mr. M.T. Shum, S.B.S.	沈文燾先生, S.B.S.
Members	成員
Ms. Clara Yu (resigned on 25 September 2008)	余秀菁小姐 (於二零零八年九月二十五日離任)
Ms. Velma Cheung (appointed on 25 September 2008)	張慧敏小姐 (於二零零八年九月二十五日獲委任)
Ms. Joyce Woo (appointed on 11 February 2008)	胡珮茵小姐 (於二零零八年二月十一日獲委任)
Ms. Anna Lau	劉惠玲小姐

Advisory Panel

To facilitate the work of the AIB, the Council has appointed a panel of Honorary Advisers to advise on investigation cases. They are all distinguished, reputable, and recently retired individuals from the accounting profession with exceptional expertise in auditing.

顧問團

為協助審計調查委員會的工作，財務匯報局已委任一組名譽顧問，為所調查的個案提供意見。他們均為近年退休的傑出和知名的會計師，在審計方面擁有卓越的專業知識。

Honorary Advisers	名譽顧問
Mr. Stephen Chang	張祖同先生
Mrs. Ruby Leung	梁陳蕙文女士
Mr. Albert Li	李國基先生

A number of committees have been set up to advise the Council on various matters, including: public relations, staff remuneration, procurement policies, and operational matters. The committees hold meetings on a periodic basis and whenever it is necessary. Each committee operates according to its terms of reference provided by the Council.

財務匯報局已經成立多個委員會，就多項事宜，包括：公共關係、員工薪酬、採購政策及運作事宜，向本局成員提供意見。委員會定期及於有需要時舉行會議。各委員會根據本局成員決定的職權範圍運作。

Corporate Communications Committee

The Corporate Communications Committee is established to formulate corporate communications strategies for the Council's consideration and to oversee the implementation of corporate communications strategies as approved by the Council.

機構傳訊委員會

機構傳訊委員會的成立目的，是制定機構傳訊策略，以供本局成員參考，及監督本局成員所核准的機構傳訊策略的執行。

Chairman	主席
Dr. P.M. Kam	甘博文博士
Members	成員
Mr. Martin Hadaway	夏德威先生
Hon. Mrs. Sophie Leung, G.B.S., J.P.	梁劉柔芬議員, G.B.S., J.P.
Prof. Judy Tsui	徐林倩麗教授
Mr. M.T. Shum, S.B.S. (ex-officio)	沈文燾先生, S.B.S. (當然成員)
No. of meetings: 3	舉行會議次數: 3
Overall attendance rate: 87%	總出席率: 87%

Operations Committee

The Operations Committee is set up to assist the Council in formulating policies, strategies, guidelines and procedures governing the investigation and enquiry functions of the FRC. It also provides expert advice, to the Council and its operational staff, on technical issues.

運作委員會

運作委員會負責協助財務匯報局成員，制定財務匯報局在調查及查訊方面的政策、策略、指引及程序，並就技術性問題向本局成員及負責調查的職員提供專業意見。

Chairman	主席
Mr. Mark Dickens, J.P.	狄勤思先生, J.P.
Members	成員
Dr. P.M. Kam (from 14 May 2008)	甘博文博士 (由二零零八年五月十四日起)
Mr. Vernon Moore, B.B.S.	莫偉龍先生, B.B.S.
Mr. M.T. Shum, S.B.S. (ex-officio)	沈文燾先生, S.B.S. (當然成員)
No. of meetings: 4	舉行會議次數: 4
Overall attendance rate: 94%	總出席率: 94%

Remuneration Committee

The Remuneration Committee is created to make recommendations to the Council on remuneration related matters, including: pay level, pay scale of various ranks of staff, pay rise, year-end performance bonus for individual staff members, and any changes in benefits and employment conditions. As the salary of the CEO is determined by the Chief Executive of the HKSAR, it is not subject to review by the Remuneration Committee.

薪酬委員會

薪酬委員會的成立目的，是就有關員工薪酬的事宜向本局成員作出建議，其中包括：薪酬水平、不同職位的薪級、薪酬升幅、個別員工的年終表現花紅，及其他福利和僱用條款的更改。由於行政總裁的薪酬由香港特別行政區行政長官釐定，故不在薪酬委員會檢討之列。

Chairman	主席
Mr. Martin Hadaway	夏德威先生
Members	成員
Mr. Mark Dickens, J.P.	狄勤思先生, J.P.
Mr. M.T. Shum, S.B.S. (ex-officio)	沈文燾先生, S.B.S. (當然成員)
No. of meetings: 1	舉行會議次數: 1
Overall attendance rate: 100%	總出席率: 100%

Tender Committee

The Tender Committee considers and reviews procurement over HK\$ 100,000 and is responsible for the selection of suppliers.

投標委員會

投標委員會的職責是考慮及審閱超過十萬港元的採購項目及負責挑選供應商。

Chairman	主席
Ms. Sophia Kao, J.P.	高靜芝女士, J.P.
Members	成員
Ms. Ada Chung (ex-officio)	鍾麗玲女士 (當然成員)
Mr. M.T. Shum, S.B.S. (ex-officio)	沈文燾先生, S.B.S. (當然成員)
Decisions during the year have been resolved by circulation of papers and therefore no meeting was held.	本年內的各項決定，均以書面傳閱方式進行議決，因而無須舉行任何會議。

Process Review Panel

The PRP was established on 1 November 2008 to review cases handled by the FRC with a view to ensuring that the FRC deals with individual cases in a fair and consistent manner, and actions taken and decisions made adhere to internal procedures and guidelines. The establishment of and appointment to the PRP were approved by the Chief Executive of the HKSAR.

程序檢討委員會

程序檢討委員會於二零零八年十一月一日成立，負責審閱財務匯報局所處理的個案，以確保財務匯報局以公平及一致的方式處理個別個案，並在採取行動或作出決定時遵守其內部程序及指引。程序檢討委員會乃由香港特別行政區行政長官批准成立及委任。

Chairman	主席
Mr. LEUNG Kwong-ho, Edmund, J.P.	梁廣灝先生, J.P.
Members	成員
Ms. Elizabeth LAW, M.H.	羅君美女士, M.H.
Mr. LO Chi-lik, Peter	羅志力先生
Mr. PANG Yuk-wing, Joseph, J.P.	彭玉榮先生, J.P.
Ms. Sophia KAO, J.P. (ex-officio)	高靜芝女士, J.P. (當然成員)
No. of meetings: 1	舉行會議次數: 1
Overall attendance rate: 100%	總出席率: 100%

GLOSSARY

詞彙

AIB 審計調查委員會	Audit Investigation Board 審計調查委員會
CEO 行政總裁	Chief Executive Officer of the Financial Reporting Council 財務匯報局行政總裁
Council 財務匯報局成員	Members of the Financial Reporting Council in meeting 財務匯報局會議成員
CRTF 公司註冊處營運基金	Companies Registry Trading Fund 公司註冊處營運基金
FRC 財務匯報局	Financial Reporting Council 財務匯報局
FRC Ordinance 《財務匯報局條例》	Financial Reporting Council Ordinance 《財務匯報局條例》
FRRC 財務匯報檢討委員會	Financial Reporting Review Committee 財務匯報檢討委員會
FRRP 財務匯報檢討委員會團	Financial Reporting Review Panel 財務匯報檢討委員會團
GEM 創業板	Growth Enterprise Market 創業板
HKEx 港交所	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKICPA 香港會計師公會	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKSAR 香港特區	Hong Kong Special Administrative Region 香港特別行政區
ICAC 廉政公署	Independent Commission Against Corruption 廉政公署
MoF 財政部	Ministry of Finance 財政部
MoU(s) 諒解備忘錄	Memorandum(memoranda) of Understanding 諒解備忘錄
PCAOB 上市公司會計監管委員會 (PCAOB)	Public Company Accounting Oversight Board 上市公司會計監管委員會
PRP 程序檢討委員會	Process Review Panel 程序檢討委員會
Secretariat 秘書處	Secretariat of the Financial Reporting Council 財務匯報局秘書處
SEHK 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
SFC 證監會	Securities and Futures Commission 證券及期貨事務監察委員會

CORPORATE INFORMATION

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