

Corporate Governance Report 企業管治報告書

In November 2004, The Stock Exchange of Hong Kong Limited announced amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”), which included the publication of the “Code on Corporate Governance Practices” (“the Code”) and “Rules on the Corporate Governance Report” (“the Rules”) as contained in Appendix 14 and Appendix 23 to the Listing Rules respectively. The Code, with one exception, has become effective for accounting periods commencing on or after 1 January 2005. The exception is in respect of Code Provision C.2 (on internal controls and disclosure requirements in the Corporate Governance Report relating to listed issuers’ internal controls), which will be implemented for accounting periods commencing on or after 1 July 2005. The Code sets out the principles of good corporate governance, and two levels of recommendations: (1) code provisions: Listed issuers are required to comply with. Where the listed issuer deviates from the code provisions set out in the Code, the issuer must give considered reasons as required; and (2) recommended best practices: for guidance only.

The Code was duly adopted by the Board as the code on corporate governance practices of the Company.

For the year ended 31 December 2005, the Company has met the code provisions and some of the recommended best practices as set out in the Code except that Mr. Wang Mingquan, the Chairman of the Company, was unable to attend the 2005 Annual General Meeting of the Company. However, appropriate arrangements have been made accordingly before the holding of the Annual General Meeting.

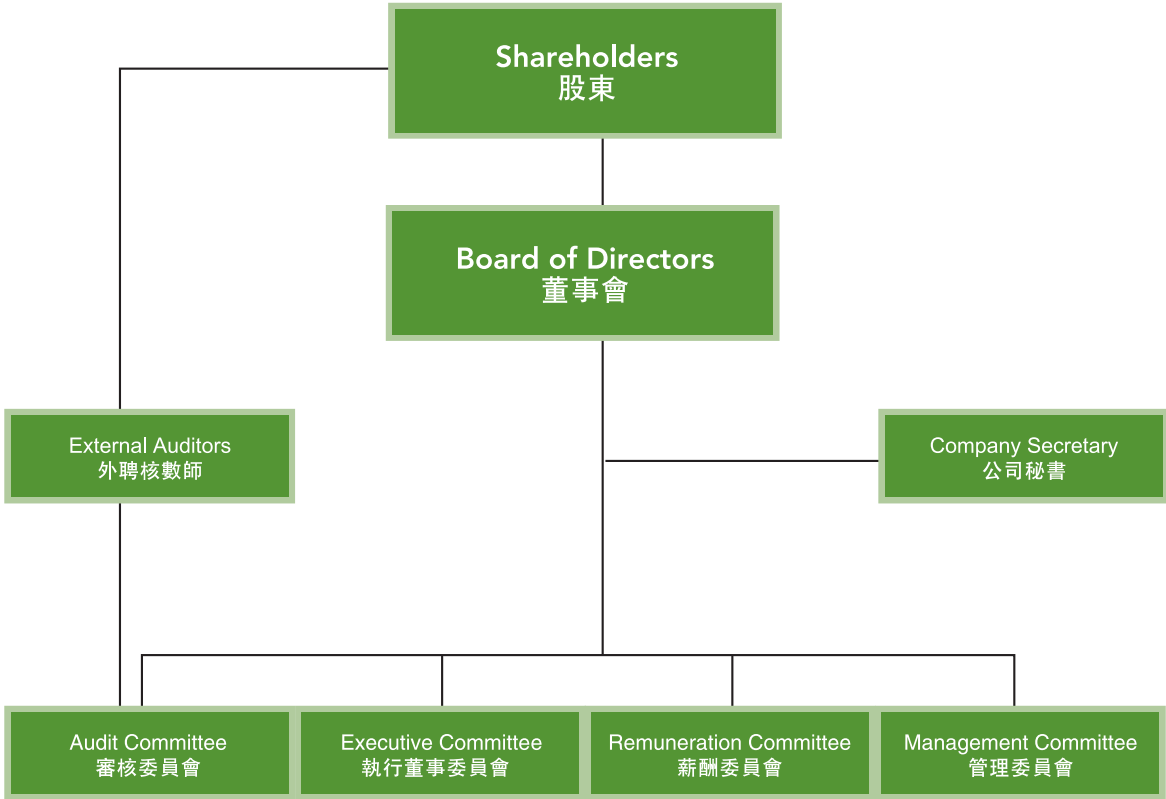
香港聯合交易所有限公司於二零零四年十一月公布修訂香港聯合交易所證券上市規則(「上市規則」),當中包括發出了一份《企業管治常規守則》(「該守則」)及《企業管治報告》,分別載於證券上市規則附錄十四及二十三內。該守則於二零零五年一月一日或之後開始的會計期間生效,唯一例外是該守則的條文C.2條(有關內部監控在企業管治報告中披露上市發行人內部監控資料的規定),則於二零零五年七月一日或之後開始的會計期間實行。該守則訂明良好企業管治的原則及兩個層次的有關建議,包括:(1)守則條文:上市發行人需要切實遵守,若有任何偏離守則條文的行為,須按規定提供經過深思熟慮的理由;及(2)建議最佳常規:只屬指引。

董事會已採納該守則作為本公司的企業管治常規守則。

截至二零零五年十二月三十一日止年度內,本公司均遵守該守則的守則條文及部份建議的最佳常規,惟本公司主席王明權先生未克出席本公司於二零零五年年度股東週年大會。但已於會前對股東週年大會做了具體的部署。

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ORGANIZATIONAL STRUCTURE IN RELATION TO CORPORATE GOVERNANCE 有關企業管治的組織架構



Corporate Governance Report 企業管治報告書

THE BOARD OF DIRECTORS

Composition and function

The Board of Directors (“the Board”) comprises twelve Directors, of which nine are Executive Directors and the remaining three are Independent Non-executive Directors.

As at 31 December 2005, the Directors were:

Name of Director

Title

Executive Directors

Mr. Wang Mingquan	Chairman
Mr. Zang Qiutao	Vice-chairman
Mr. Li Xueming	Vice-chairman
Mr. Chen Xiaoping	Chief Executive Officer
Mr. Philip Fan Yan Hok	General Manager
Mr. Huang Chaohua	Deputy General Manager
Mr. Raymond Wong Kam Chung	Chief Financial Officer and Qualified Accountant
Mr. Chen Shuang	Executive Director
Ms. Zhang Weiyun	Executive Director

Non-executive Directors

Sir David Akers-Jones	Independent Non-executive Director
Mr. Aubrey Li Kwok Sing	Independent Non-executive Director
Mr. Selwyn Mar	Independent Non-executive Director

董事會

組成及職責

董事會由十二位董事組成，包括九位執行董事及三位獨立非執行董事組成。

於二零零五年十二月三十一日，董事會成員為：

董事姓名

職位

執行董事

王明權先生	主席
臧秋濤先生	副主席
李學明先生	副主席
陳小平先生	行政總裁
范仁鶴先生	總經理
黃朝華先生	副總經理
黃錦聰先生	財務總監及合資格會計師
陳爽先生	執行董事
張衛云女士	執行董事

非執行董事

鍾逸傑爵士	獨立非執行董事
李國星先生	獨立非執行董事
馬紹援先生	獨立非執行董事

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THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

In accordance with the Articles of Association of the Company, subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

The position of the Chairman and the Chief Executive Officer are held by separate individuals, with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

The Board meets regularly throughout the year. Under the lead of the Chairman, the Board is responsible for approving and supervising the overall strategy and policies of the Group, approving annual budget and business plans, assessing the Group's performance and supervising the work of the management. All Directors have access to board papers and related materials, and are provided with adequate information on a timely manner. The Directors of the Company may, if necessary, seek legal or other independent professional advice at the expense of the Company.

In respect of regular board meetings or committee meetings, the agenda is sent out to the Directors at least fourteen days before the meeting and the accompanying papers are sent at least three days before the intended date of meeting for information.

董事會 (續)

組成及職責 (續)

根據本公司的公司細則，遵照上市規則不時規定之董事輪值告退方式，以及儘管委任或聘任任何董事時訂立了任何合約性或其他性質之條款，於每次股東週年大會上，三分之一在任董事（或若其數目並非三之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟每位董事（包括具有指定任期者）必須至少每年退任一次。

董事會主席及行政總裁之職務由不同人士擔任，使董事會運作及集團日常業務管理得以有效區分。

董事會於年度內定期開會，在主席領導下，董事會負責批准及監察本集團的整體策略及政策、批准年度預算及業務計劃、評估集團表現，以及監督管理層的工作。全體董事均有權查閱董事會文件及有關資料，並會及時獲提供充份資料。在適當的情況下，本公司董事可向外諮詢法律或其他獨立的專業意見，有關費用由本公司支付。

定期的董事會會議或委員會會議議程會在召開會議日期前最少十四天前分發，而相關董事會或委員會會議文件會在召開會議前最少三天以書面方式分發予董事及委員會成員以供審閱。

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THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

As an integral part of good corporate governance, the Board has established the following committees with specific written terms of reference which deal clearly with the committee's authority and duties:-

1. EXECUTIVE COMMITTEE

The Executive Committee comprises Mr. Wang Mingquan (Chairman), the Chairman of the Board, and eight Executive Directors, namely Mr. Zang Qiutao, Mr. Li Xueming, Mr. Chen Xiaoping, Mr. Philip Fan Yan Hok, Mr. Huang Chaohua, Mr. Raymond Wong Kam Chung, Mr. Chen Shuang and Ms. Zhang Weiyun. Its main duties include performing the duties assigned by the Board as well as exercising the authority and rights authorized by the Board. The general mandate in relation to the Executive Committee in written form has been established.

2. REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. Wang Mingquan (Chairman), the Chairman of the Board, Mr. Zang Qiutao, the Vice-chairman of the Board, and three independent non-executive directors of the Company, namely Sir David Akers-Jones, Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar. Its main duties include offering advice to the Board on the matters pertaining the remuneration policy and remuneration structure of the directors and senior management of the Company. The terms of reference of the Remuneration Committee are disclosed on the website of the Company.

During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the Executive Directors and senior management of the Company, and offered advice on the same to the Board.

The remuneration of all the Directors and their respective interest in share options are set out in note 8 to the financial statements and under the "Share option scheme" paragraph in the report of the directors of this Annual Report.

董事會 (續)

組成及職責 (續)

為確保提供優良的企業管治，董事會成立了以下的委員會，並書面訂明各委員會之具體職權範圍，清楚說明各委員會之職權及職責：—

1. 執行董事委員會

執行董事委員會由董事會主席王明權先生（擔任主席）及八位執行董事包括臧秋濤先生、李學明先生、陳小平先生、范仁鶴先生、黃朝華先生、黃錦驄先生、陳爽先生及張衛云女士組成，其主要職責為負責履行董事會指定的職能及行使其所授予的權利及權力。執行董事委員會設有其書面的一般性授權。

2. 薪酬委員會

薪酬委員會由董事會主席王明權先生（擔任主席）、董事會副主席臧秋濤先生及三位獨立非執行董事包括鍾逸傑爵士、李國星先生及馬紹援先生組成，其主要職責包括就本公司董事及高級管理人員的全體薪酬政策及架構向董事會提出建議等，有關薪酬委員會的職權範圍書已載列於本公司的網站內。

於本年度內，薪酬委員會已審議了本公司執行董事及高級管理人員的薪酬政策及架構，並向董事會提出了有關建議。

各董事的薪酬及購股權權益分別刊載於本年報財務報表附註八及董事會報告「購股權計劃」一段內。

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THE BOARD OF DIRECTORS (continued)

Composition and function (continued)

3. AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive directors of the Company, namely Sir David Akers-Jones (Chairman), Mr. Aubrey Li Kwok Sing and Mr. Selwyn Mar, is primarily responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial reporting matters of the Company. The terms of reference of the Audit Committee are disclosed on the website of the Company.

The Audit Committee has reviewed with the management and KPMG, the Company's auditor, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including a review of the annual report for the year ended 31 December 2005.

4. MANAGEMENT COMMITTEE

The Management Committee comprises Mr. Chen Xiaoping (Chairman), the Chief Executive Officer of the Company, Mr. Philip Fan Yan Hok, the General Manager of the Company, Mr. Huang Chaohua, the Deputy General Manager of the Company and Mr. Raymond Wong Kam Chung, the Chief Financial Officer of the Company. The Management Committee is the decision-making body for day-to-day operation and its main duties include performing the duties assigned by the Board and/or the Executive Committee as well as exercising the authority and rights authorized by the same. The general mandate in relation to the Management Committee in written form has been established.

董事會 (續)

組成及職責 (續)

3. 審核委員會

審核委員會由全數三位獨立非執行董事包括鍾逸傑爵士(擔任主席)、李國星先生及馬紹援先生組成,其主要職責包括審閱本集團所採納之會計原則及慣例、討論及檢討內部監控及財務申報等事宜,有關審核委員會的職權範圍書已載列於本公司的網站內。

審核委員會已與管理層及本公司核數師畢馬威會計師事務所審閱本集團所採納之會計政策及慣例,並就審核內部監控及財務報告等事宜(包括審閱本公司截至二零零五年十二月三十一日止之年度報告)進行討論。

4. 管理委員會

管理委員會的成員包括行政總裁陳小平先生(擔任主席)、總經理范仁鶴先生、副總經理黃朝華先生及財務總監黃錦驄先生。管理委員會為本集團日常決策中心,其主要職責為負責履行董事會及/或執行董事委員會指定的職能及行使其所授予的權利及權力。管理委員會設有其書面的一般性授權。

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NUMBER OF BOARD MEETINGS AND COMMITTEE MEETINGS AND THE ATTENDANCE RATE OF DIRECTORS

董事會及委員會會議次數及各董事的出席次數

The following shows the number of regular board meetings and committee meetings held during the year as well as the attendance rate of each Director.

下表顯示年度內本公司所舉行的定期董事會及委員會會議次數及董事個別的出席次數。

Attendance rate

出席次數

Name of Director 董事姓名		Board of Directors 董事會	Executive Committee 執行董事委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Management Committee 管理委員會
Mr. Wang Mingquan	王明權先生	2/4	2/3	1/2	N/A 不適用	N/A 不適用
Mr. Zang Qiutao	臧秋濤先生	4/4	3/3	2/2	N/A 不適用	N/A 不適用
Mr. Li Xueming ⁽¹⁾	李學明先生 ⁽¹⁾	3/4	3/3	0/2	N/A 不適用	N/A 不適用
Mr. Chen Xiaoping ⁽²⁾	陳小平先生 ⁽²⁾	4/4	3/3	0/2	N/A 不適用	13/13
Mr. Philip Fan Yan Hok	范仁鶴先生	4/4	3/3	N/A 不適用	N/A 不適用	13/13
Mr. Huang Chaohua	黃朝華先生	3/4	3/3	N/A 不適用	N/A 不適用	13/13
Mr. Raymond Wong Kam Chung	黃錦聰先生	4/4	3/3	N/A 不適用	N/A 不適用	13/13
Mr. Chen Shuang	陳爽先生	3/4	2/3	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Zhang Weiyun	張衛云女士	4/4	3/3	N/A 不適用	N/A 不適用	N/A 不適用
Sir David Akers-Jones ⁽³⁾	鍾逸傑爵士 ⁽³⁾	2/4	N/A 不適用	1/2	3/3	N/A 不適用
Mr. Aubrey Li Kwok Sing	李國星先生	4/4	N/A 不適用	2/2	3/3	N/A 不適用
Mr. Selwyn Mar	馬紹援先生	3/4	N/A 不適用	1/2	3/3	N/A 不適用

Notes:

附註:

- (1) On 31 March 2005, Mr. Li Xueming resigned as a member of the Remuneration Committee.
- (2) On 31 March 2005, Mr. Chen Xiaoping resigned as a member of the Remuneration Committee and took up the post of Secretary for the Remuneration Committee on the same day.
- (3) On 31 March 2005, Sir David Akers-Jones was appointed as a member of the Remuneration Committee.

- (1) 於二零零五年三月三十一日李學明先生辭任為薪酬委員會成員。
- (2) 於二零零五年三月三十一日陳小平先生辭任為薪酬委員會成員，並於同日擔任薪酬委員會的秘書。
- (3) 於二零零五年三月三十一日鍾逸傑爵士擔任薪酬委員會成員。

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THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer should be separate. The Chairman's responsibility is to manage the Board and the Chief Executive Officer's responsibility is to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established.

The responsibilities of the Chairman include the ones set out in the Code as well as the following:

- (a) providing leadership for and overseeing the functioning of the Board;
- (b) formulating overall strategies and policies of the Company;
- (c) ensuring that all Directors of the Board are properly briefed on issues arising at Board meetings and giving each Director an opportunity to express his/her view at board meetings;
- (d) ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner;
- (e) ensuring that the Board works effectively and discharges its responsibilities;
- (f) ensuring that all key and appropriate issues are discussed by the Board in a timely manner;
- (g) drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda;
- (h) taking responsibility for ensuring that good corporate governance practices and procedures are established;
- (i) encouraging all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that the Board acts in the best interests of the Company;

主席及行政總裁之職責分工

主席與行政總裁的職位應有區分。主席管理董事會的責任與行政總裁管理本公司業務的責任應有清晰的區別。

主席的職責包括載列於守則的職責及下列職責：

- (a) 領導董事會及監察董事會功能；
- (b) 制定本公司整體策略及政策；
- (c) 確保董事會上所有董事均適當知悉當前的事項及給每名董事在董事會上表達其意見的機會；
- (d) 確保董事會及時收到充分的資訊，而有關資訊亦必須完備可靠；
- (e) 確保董事會有效地運作，且履行應有責任；
- (f) 確保及時就所有重要的適當事項進行討論；
- (g) 釐定並批准每次董事會會議的議程，在適當情況下，這過程中應計及其他董事提議加入議程的任何事項；
- (h) 有責任確保本公司制定良好的企業管治常規及程序；
- (i) 鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益；

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THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER *(continued)*

主席及行政總裁之職責分工 (續)

(j) ensuring that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the board as a whole; and

(j) 確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會；及

(k) facilitating the effective contribution of Directors and ensuring constructive relations between Executive Directors and Non-executive Directors.

(k) 促進董事對董事會作出有效貢獻，並確保執行董事與非執行董事之間維持建設性的關係。

The responsibilities of the Chief Executive Officer are as follows:

行政總裁的職責包括載列於下列：

(a) Taking responsibility for the Group's operation and management;

(a) 負責本集團的經營和管理；

(b) Implementing decisions and plans approved by the Board;

(b) 執行董事會的決議及計劃；

(c) Making day-to-day operational and managerial decision; and

(c) 作出經營管理的日常決策；及

(d) Coordinating overall business operations.

(d) 協調整體業務營運。

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INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules, the Board is of the view that all Independent Non-executive Directors are independent and the Company has received an annual confirmation of independence from each of the Independent Non-executive Directors of the Company pursuant to the Listing Rules.

All three Independent Non-executive Directors are appointed for a term of two years until 31 December 2006, and are subject to retirement and re-election in accordance with the Company's Articles of Association.

NOMINATION OF DIRECTOR

In accordance with the Articles of Association of the Company, the Directors will have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy in the Board, or as an addition to the existing Board. For nomination, consideration will be made to the qualifications of the nominee. The Company has not established a nomination committee. During the year, there was no change to the members of the Board.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the model code ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having made specific enquiry of the directors, all directors have complied with the required standard of dealings as set out therein during the year ended 31 December 2005.

SHAREHOLDERS' RIGHTS

It is the Company's responsibility to ensure shareholder's interest. To do so, the Company maintains on-going dialogue with shareholders to communicate with them and encourage their participation through annual general meetings or other general meetings.

獨立非執行董事

根據上市規則第3.13條所載之獨立性指引，董事認為全體獨立非執行董事均為獨立人仕，而每名獨立非執行董事已根據上市規則的規定向本公司提供有關其獨立性的年度確認書。

三位獨立非執行董事的委任年期為兩年，直至二零零六年十二月三十一日止，並須遵行本公司細則有關退任及膺選連任之規定。

董事提名

根據本公司的組織章程細則，董事會有權不時或於任何時間委任任何人選為董事，以填補臨時空缺或新增董事會成員，提名須考慮該被提名人之資格。本公司並無成立提名委員會，於本年度內，董事會成員並無任何變更。

董事進行證券交易

本集團採納上市規則附錄十所載的《標準守則》（「標準守則」）作為董事進行本公司證券交易事宜的指引。

經向所有董事作出特定查詢後，截至二零零五年十二月三十一日止年度，本公司所有董事一直遵守標準守則的規定。

股東的權利

本公司有責任確保股東的權益。本公司就此透過股東週年大會或其他股東大會與股東一直保持溝通並鼓勵彼等參與股東大會。

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SHAREHOLDERS' RIGHTS (continued)

Registered shareholders are notified by post for the shareholders' meetings. The notice of meeting contains the agenda, the proposed resolutions and a postal voting form.

All registered shareholders are entitled to attend the annual and extraordinary general meetings, provided that their shares have been recorded in the Register of Shareholders.

Shareholders who are unable to attend a general meeting may complete and return to the Company's Share Registrar the proxy form enclosed with the notice of meeting to give proxy to their representatives, another shareholder or chairman of the meetings.

Procedure for voting by poll has been included in circular of the Company accompanying notice convening general meeting of the Company and has been read out by the chairman at the general meeting of the Company.

EXTERNAL AUDITORS

It is the auditors' responsibility to form an independent opinion, based on their audit, on the Company's financial statements and to report their opinion solely to the Company, as a body, in accordance with section 141 of the Companies Ordinance, and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the report of the auditors.

Apart from the provision of annual audit services, KPMG, the Group's external auditors, also carried out interim review of the Group's results and provided other financial services in compliance with the requirements under the Listing Rules and the Occupational Retirement Scheme Ordinance.

股東的權利 (續)

登記股東以郵遞方式收取股東大會通告。大會通告載有議程、提呈的決議案及郵遞投票表格。

任何登記股東有權出席股東週年大會及股東特別大會，惟彼等的股份必須登記於股東名冊內。

未能出席股東大會的股東可填妥隨附於大會通告的代表委任表格並交回本公司股份過戶處，以委任彼等之代表、另一名股東或大會主席擔任彼等的代表。

有關投票表決之程序載於本公司之通函（隨附本公司股東大會召開通告），並由大會主席於本公司股東大會上朗讀。

外聘核數師

核數師之責任是根據彼等審核工作的結果，對財務報表作出獨立意見，並按照公司條例第141條的規定，只向本公司作為一個整體作出報告。除此之外，該報告不可用作其他用途。核數師概不就核數師報告的內容，對任何其他人仕負責或承擔責任。

本集團的外聘核數師為畢馬威會計師事務所，除每年提供審核服務外，亦審閱本集團的中期業績及就本集團進行按照上市條例及職業（退休）計劃條例需要作出披露的交易提供其他財務服務。

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EXTERNAL AUDITORS (continued)

For the year ended 31 December 2005, KPMG, the external auditors received the following remuneration from the Group in connection with the provision of audit and non-audit services to the Group:—

Annual audit services	年度審核服務	1,385
Interim review services	審閱中期業績服務	320
Other services	其他服務	5
		<hr/>
		1,710

INTERNAL CONTROL

The Board has full responsibility for the Group's internal control system, which includes the establishment of a defined management structure with specified limits of authority. The system is designed to help the achievement of business objectives of the Group, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensure compliance with relevant legislation and regulation. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The key procedures that the Board established to provide effective internal controls are as follows:

— organizational structure

An appropriate organizational structure is in place with defined operating policies and procedures as well as responsibility and lines of authority.

外聘核數師 (續)

截至二零零五年十二月三十一日止年度內，外聘核數師畢馬威會計師事務所就提供審核及非審核服務予本集團而收取下列酬金：—

2005
二零零五年
HK\$'000
千港元

內部監控

董事會全權負責本集團的內部監控系統，包括制訂管理架構及相關的權限以協助本集團達致業務目標、保管資產以防未經授權使用或出售、確保存有正確會計記錄以提供可靠的財務資料供內部使用或對外發放，並確保遵守有關法例與規則。上述監控系統可合理（但並非絕對）保證不會出現重大失實陳述或損失。

為提供有效的內部監控，董事會目前確立了下列主要程序：

— 組織架構

本集團已制訂合適的組織架構，清楚訂明相關的營運政策及程序、職責及權限。

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INTERNAL CONTROL (continued)

– Authority and Control

The Executive Directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies and policies and the related matters formulated by the Board.

– Budgetary Control and Financial Reporting

The Group implements budget management, and financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurrent expenditures, and regular review and comparison between operating results and the budget are made.

The Group has established appropriate internal control procedures to ensure the keeping of accurate and complete accounting and management records on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

– Internal Auditing

The Group has regularly conducted internal audit to review whether the internal control procedures are implemented appropriately.

Having conducted a review of the effectiveness of the Group's internal control system (including financial, operational and compliance controls and risk management functions), the Board was of the opinion that the existing internal control system was effective.

內部監控 (續)

– 權限及監控

執行董事及高級管理人員獲授相關權限執行董事會制訂的企業策略、政策及有關事務。

– 預算控制及財務報告機制

本集團實行預算管理，財務預算由董事會批核後執行。本集團已訂立相關程序以評估、檢討及批核主要的資本性及經常性支出，並定期檢討與比較經營結果與預算。

本集團已建立適當的內部監控程序，確保全面、正確及準時記錄會計及管理資料，並定期進行檢討及審查，確保財務報表的編製符合一般認可的會計準則、集團會計政策，以及適用的法律及法規。

– 內部審核

本集團定期進行內部審核檢討內部監控程序是否如實執行。

經檢討本集團內部監控系統(包括財務監控、運作監控、合規監控及風險管理功能)的效率，董事會認為目前之內部監控系統有效。

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DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors confirm that they are responsible for the preparation of the Group's financial statements.

The Finance Department of the Company is taken charge by the Qualified Accountant. With the assistance of the Finance Department, the Directors ensure that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles.

A statement by KPMG, the auditors of the Company, about their reporting responsibilities on the financial statements of the Group is included in the Report of the Auditors on page 85.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company recognizes the importance of good communications with shareholders and the investment community. Briefings and meetings with institutional investors and analysts are conducted regularly to provide them with up-to-date and comprehensive information about the Group's development. Annual and interim reports offer comprehensive operational and financial performance information to shareholders and the annual general meeting of the Company provides a forum for shareholders to exchange views directly with the Board, which together help enhance and facilitate communication with shareholders. The Company also maintained a website (<http://www.ebchinaintl.com>) which enables shareholders, investors and the general public to have access to the information of the Company on a timely basis.

AMENDMENTS TO ARTICLES OF ASSOCIATION

To align with the amendments to the Listing Rules, the Articles of Association of the Company were amended accordingly and approved by shareholders at the 2005 Annual General Meeting held on 18 May 2005. The relevant amendments to the Articles of Association can be found in the circular to shareholders dated 25 April 2005.

董事就財務報表所承擔的責任

董事確認須就編製本集團財務報表承擔有關責任。

本公司由合資格會計師負責管理財務部，在財務部的協助下，董事確保本集團財務報表的編製符合有關法規及適用之會計準則。

本公司核數師畢馬威會計師事務所就本集團財務報表所作之申報責任聲明列載於第八十五頁之核數師報告內。

與投資者的關係及溝通

本公司明白與股東及投資者保持良好溝通的重要性，本公司會不時與機構投資者及分析員舉行簡報會及會議，為彼等提供有關本集團發展的最新詳情。為了促進及加強本公司及股東之間的關係，年報及中期報告為股東提供經營及財務業績的詳盡資料，而本公司的股東週年大會則為股東提供與董事會直接交換意見的機會。此外，本公司之網站 <http://www.ebchinaintl.com> 為本公司與其股東、投資者及公眾人士提供通訊渠道，而本集團之最新重要資料亦可於網站內獲取。

修訂組織章程細則

為符合上市規則的修訂，本公司的組織章程細則已經修訂，並於二零零五年五月十八日舉行的二零零五年股東週年大會上獲股東溝通。組織章程細則的相關修訂條文載於日期為二零零五年四月二十五日的致股東通函內。