

The Board of Directors of the Company believes that corporate governance is essential to the success of the Company and the Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and accountability to shareholders. With effect from 1 January 2005, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code on CGP") of the Listing Rules, except for certain deviations in respect of the rotation of Directors. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transaction. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code and the Code on CGP during the year.

BOARD OF DIRECTORS

The Company is headed by an effective board which assume responsibility for leadership and control of the Company and collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Directors take decisions objectively in the interests of the Company.

The Board is responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group, as well as preparing and approving financial statements. The Directors, collectively and individually, are aware of their responsibilities to shareholders, for the manner in which the affairs of the Company are managed and operated. In the appropriate circumstances and as and when necessary, Directors will consent to the seeking of independent professional advice at the Group's expense, ensuring that board procedures, and all applicable rules and regulations, are followed.

The Board gives clear directions as to the powers delegated to the management for the management and administration functions of the Group, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

本公司董事會深信企業管治為本公司成功的關鍵，並已採取各項措施，以確保維持高標準的企業管治。本公司致力維持良好之企業管治標準及程序，以確保資料披露之完整性、透明度及增加對股東的問責程度。自二零零五年一月一日起，本公司已採用並遵守上市規則的企業管治常規守則的要求，惟當中有關董事輪任是偏離該守則。本公司將定期審閱及更新現行的常規，以追隨企業管治的最新發展。

董事證券交易活動

本公司已採納標準守則，作為董事進行證券交易之操守準則。於本公司特別作出查詢後，全體董事均確認，彼等於年度內已遵從標準守則及企業管治常規守則所規定之準則。

董事會

本公司以一個行之有效的董事會為首；董事會負有領導及監控本公司的責任，並集體負責統管並監督本公司事務以促使本公司成功。董事客觀行事，所作決策須符合本公司利益。

董事會負責制訂業務發展策略、審閱及監察本集團的業務表現以及編製及批核財務報表。董事明白到，須就本公司的管理及營運事宜共同及個別向股東承擔責任。在適當的情況下及於有需要時，董事將同意徵求獨立專業意見，以確保依循董事會程序及一切適用的規則及規定，有關費用由本集團支付。

董事會對委派予管理層有關執行本集團管理及行政職能的權力，給予清晰的指引，特別是涉及管理層在何種情況下須作出匯報，及於代表本集團作出決定或作出任何承諾前須事先取得董事會批准等事宜方面。董事會將定期審閱該等安排，以確保有關安排符合本集團的需要。

The Board of Directors of the Company comprises:

Executive Directors:

LAM Kwok Hing (*Chairman*)
NAM Kwok Lun (*Deputy Chairman and Managing Director*)

Independent Non-Executive Directors:

CHEN Wei-Ming Eric
KWAN Wang Wai Alan
NG Chi Kin David

The three Independent Non-Executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting and business management. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the board. Each Independent Non-Executive Director gives an annual confirmation of his independence to the Company, and the Company considers these Directors to be independent under Rule 3.13 of the Listing Rules. To the best knowledge of the Company, there is no financial, business and family relationship among the three Independent Non-Executive Directors and between the Chairman and the Deputy Chairman. All of them are free to exercise their independent judgement.

Board meetings are held at least 4 times a year at approximately quarterly intervals. In addition, special Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

Attendance of individual Directors at Board meetings in 2005:

Number of meetings	會議次數	4	
Executive Directors:	執行董事：		
LAM Kwok Hing (<i>Chairman</i>)	藍國慶先生 (主席)	4/4	100%
NAM Kwok Lun (<i>Deputy Chairman and Managing Director</i>)	藍國倫先生 (副主席兼董事總經理)	4/4	100%
Independent Non-Executive Directors:	獨立非執行董事：		
CHEN Wei-Ming Eric	陳偉明先生	2/4	50%
KWAN Wang Wai Alan	關宏偉先生	2/4	50%
NG Chi Kin David	伍志堅先生	4/4	100%
Average attendance rate	平均出席率	80%	

本公司董事會成員包括：

執行董事：

藍國慶先生 (主席)
藍國倫先生 (副主席兼董事總經理)

獨立非執行董事：

陳偉明先生
關宏偉先生
伍志堅先生

三位獨立非執行董事極具才幹，在會計及工商管理各範疇均擁有學術及專業資歷。加上他們在其他公司擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各獨立非執行董事已根據上市規則第3.13條的規定，就其獨立性每年向本公司作出確認，本公司認為該等董事確屬獨立人士。就本公司所深知，三位獨立非執行董事及主席與副主席之間概無任何財務、業務及親屬關係。彼等均可自由作出獨立判斷。

董事會會議每年召開至少4次，大約每季一次。此外，在有需要時會召開董事會特別會議。此等董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。

2005年董事會會議個別董事的出席率：

At least 14 days notice of all Board meetings is given to all Directors and they can include matters for discussion in the agenda if the need arises. Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations, are followed.

Minutes of the Board, the Audit Committee and the Remuneration Committee are kept by the Company Secretary. Minutes are open for inspection at any reasonable time on reasonable notice by any Director.

Minutes of the Board and Board Committees have recorded in sufficient detail the matters considered by the Board and the Committees, decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the Board are sent to all Directors for their comments and records respectively, in the case of the Board meetings, the Audit Committee meetings and the Remuneration Committee meetings, normally within one week, after the meetings are held.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a Committee (except an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board and the Chief Executive Officer (i.e. Deputy Chairman and Managing Director) are held separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Deputy Chairman and Managing Director is responsible for managing the Group's business and overall operations. The day-to-day running of the Company is delegated to the management with divisional heads responsible for different aspects of the business.

所有董事會會議的通告將於會議舉行最少十四天前發出予各董事，如有需要，董事可在議程中加插欲討論的事項。所有董事都可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。

董事會、審核委員會及薪酬委員會的會議紀錄由公司秘書備存。若董事發出合理通知，會公開有關會議紀錄供其在任何合理時段查閱。

董事會及其轄下委員會的會議紀錄，已對會議上各董事所考慮事項及達致的決定作足夠詳細的記錄，其中包括董事提出的任何疑慮或表達的反對意見。會議紀錄的初稿及最終定稿會發送全體董事，初稿供董事表達意見，最後定稿則作其紀錄之用。董事會會議、審核委員會會議及薪酬委員會會議的紀錄通常在會議後的一星期內發出。

若有大股東或董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項不會以傳閱文件方式處理或交由轄下委員會處理（根據董事會會議上通過的決議而特別就此事項成立的委員會除外），而董事會會就該事項舉行董事會。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事會出席有關的董事會會議。

主席及行政總裁

董事局主席及行政總裁（即副主席兼董事總經理）職位分別由兩位人士擔任，以確保此等職位各自之獨立性、問責性及責任承擔。主席負責監管董事局運作以及制訂本公司整體策略及政策。副主席兼董事總經理負責管理本集團之業務及整體營運。本公司之日常管理事務交由管理層人員處理，並由各部門主管負責業務各個方面之營運。

The Chairman shall ensure that all Directors are properly briefed on issues arising at Board meetings.

The Chairman is responsible for ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner.

APPOINTMENTS, RE-ELECTION AND REMOVAL

The Company does not have a Nomination Committee. The Board as a whole is responsible for the procedure of agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing Directors.

The annual general meeting circular contains detailed information on election of Directors including detailed biography of all Directors standing for election or re-election to ensure shareholders to make an informed decision on their election.

Under the code provisions A.4.2. of the Code of CPG, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Bye-Laws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. This constitutes a deviation from code provision A.4.2. of the Code. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

Mr. Ng Chi Kin David has been serving the Board for more than 5 years. Mr. Ng is a man of integrity and a certified public accountant by profession. The Board appreciates his valuable advice given and contribution made in the past years and believes that he continues to be independent in character and judgement. Mr. Ng will be proposed for re-election at the forthcoming annual general meeting.

主席確保董事會會議上所有董事均適當知悉當前的事項。

主席負責確保董事及時收到充分的資訊，而有關資訊均屬完備可靠。

委任、重選及罷免

本公司概無成立提名委員會，全體董事會負責核准新成員之委任及在股東年會上提名合適的人選應選，以填補董事空缺或增添董事名額。

股東年會通函載有選舉董事的詳細資料，包括擬參與選舉或再應選連任董事的個人簡歷，以便股東參考後作出決定投票。

根據守則第A.4.2.條企業管治常規守則條文，每名董事(包括有指定任期的董事)應輪流退任，至少每三年一次。然而，根據本公司之公司細則，本公司之主席或董事總經理均毋須輪值退任，於釐定董事退任人數時亦毋須計算在內，構成與守則條文A.4.2.有所偏差。由於持續性是成功執行任何長遠業務計劃的主要因素，董事會相信，主席兼董事總經理之職，能令本集團之領導更具強勢及貫徹，在策劃及落實長期商業策略方面更有效率，現有的安排對於本公司以致股東的整體利益最為有利。

伍志堅先生服務董事會已超逾五年。伍先生為人正直，本身為一名執業會計師。董事會對伍先生過往所提供的寶貴意見及貢獻深表謝意，亦深信他能持守獨立判斷力。伍先生於即將舉行的股東週年大會上被提呈決議案連任。

BOARD COMMITTEES

The Board has also established the following committees with defined terms of reference:—

- Audit Committee
- Remuneration Committee

Each Board Committee makes decisions on matters within its term of reference and applicable limits of authority. The terms of reference as well as the structure and membership of each committee will be reviewed from time to time.

a) Audit Committee

On 16 August 2000, the Audit Committee had been established. It currently consists of three Independent Non-Executive Directors. The Chairman of the Audit Committee will be subject to rotate for every 2 years.

Composition of Audit Committee members

KWAN Wang Wai Alan (*Chairman of the Audit Committee*)
CHEN Wei-Ming Eric
NG Chi Kin David

Role and function

The Audit Committee is mainly responsible for:

1. considering the appointment of external auditors, their audit fees and questions of resignation or dismissal;
2. reviewing the draft Company's annual report and accounts and half yearly before submission to, and providing advice and comments thereon to the Board of Directors;
3. reviewing external auditors' management letter and management's response;
4. reviewing the internal audit programme, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately managed and has appropriate standing within the Company;

董事會轄下委員會

董事會亦成立下列委員會，其界定的職權範圍如下：—

- 審核委員會
- 薪酬委員會

各董事會轄下委員會對其所屬職權範圍及適用權限內的事宜作出決定。本公司將不時檢討各委員會的職權範圍、架構及成員。

a) 審核委員會

審核委員會於二零零零年八月十六日成立。目前由三名獨立非執行董事組成。審核委員會主席將於每兩年輪值。

審核委員會成員的組成

關宏偉先生 (審核委員會主席)
陳偉明先生
伍志堅先生

角色及職能

審核委員會主要負責：

1. 考慮委聘外聘核數師、核數費用及辭任或解聘事宜；
2. 於本公司年報及賬目以及中期報告提交前對初稿進行審閱，並就此向董事會提供意見及評論；
3. 審閱外聘核數師致管理層之函件及管理層之回應；
4. 審閱內部審計計劃，確保內部及外聘核數師間之協調，以及確保內部審計職能有足夠資源配合並於本公司內擁有適當地位；

5. considering the major findings of internal investigations and management's response;
6. reviewing compliance with regulatory and legal requirements by the Company; and
7. discussing problems and reservations arising from the interim and annual audits and matters that the external auditors may wish to discuss (in the absence of the management, where necessary).

Meeting Record

The Audit Committee met twice during the year, particular in reviewing the interim and annual results of the Group.

The following was the attendance record of the Audit Committee meetings for the year ended 31 December 2005:

Attendance of individual Directors at Audit Committee meetings in 2005:

Number of meetings	會議次數	2	
Audit Committee members:	審核委員會成員：		
KWAN Wang Wai Alan (Chairman of Audit Committee)	關宏偉先生 (審核委員會主席)	2/2	100%
CHEN Wei-Ming Eric	陳偉明先生	1/2	50%
NG Chi Kin David	伍志堅先生	2/2	100%
Average attendance rate	平均出席率	83%	

During the meetings, the Audit Committee would discuss the following matters:—

1) Financial Reporting

The Audit Committee met with the external auditors to discuss the interim and annual financial statements and system of control of the Group. The auditors, the company secretary and the financial controller of the Company were also in attendance to answer questions on the financial results.

Where there were questions on the financial statements and system of control of the Group reviewed by the Audit Committee, the management of the Company would provide breakdown, analysis and supporting documents to the Audit Committee members in order to ensure that the Audit Committee members were fully satisfied and make proper recommendation to the Board.

5. 考慮內部調查結果及管理層之回應；

6. 審議本公司遵守法規之要求；及

7. 討論中期及全年審核所引起的問題及保留意見，以及外聘核數師希望討論之事項(如有需要，可要求管理層避席)。

會議記錄

審核委員會於年度內舉行兩次會議，主要為審閱本集團的中期及全年業績。

以下為審核委員會於截至二零零五年十二月三十一日止年度舉行的審核委員會出席記錄：

2005年審核委員會會議個別董事的出席率：

於會議期間，審核委員會會商討下列事宜：—

1) 財務申報

審核委員會曾與外聘核數師舉行會議，討論中期及全年財務報表以及本集團之監控制度。本公司之核數師、公司秘書以及財務總監亦有出席會議，解答有關財務業績的提問。

倘審核委員會於進行審核工作時對本集團的財務報表及監控制度存有疑問，本公司的管理層將向審核委員會成員提供明細表、分析及支持文件，以確保審核委員會成員完全信納並向董事會作出適當的建議。

2) External Auditors

The appointment of the external auditors and the audit fee were considered by the Audit Committee and recommendations were made to the Board on the selection of external auditors of the Company.

b) Remuneration Committee

The Remuneration Committee was established on 28 July 2005. It currently consists of two Executive Directors and three Independent Non-Executive Directors. The Chairman of the Remuneration Committee will be subject to rotate for every 2 years.

Composition of Remuneration Committee members

LAM Kwok Hing (*Chairman of the Remuneration Committee*)
NAM Kwok Lun
CHEN Wei-Ming Eric
KWAN Wang Wai Alan
NG Chi Kin David

Role and function

The Remuneration Committee is mainly responsible for:

1. making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
2. reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
3. determining the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of Non-Executive Directors;

2) 外聘核數師

審核委員會負責考慮外聘核數師的委任及核數費用，並於選任本公司外聘核數師時向董事會作出建議。

b) 薪酬委員會

薪酬委員會於二零零五年七月二十八日成立。目前由兩名執行董事及三名獨立非執行董事組成。薪酬委員會主席將於每兩年輪值。

薪酬委員會的組成

藍國慶先生 (*薪酬委員會主席*)
藍國倫先生
陳偉明先生
關宏偉先生
伍志堅先生

角色及職能

薪酬委員會主要負責：

1. 就本公司全體董事及高級管理層的薪酬政策及架構向董事會作出建議，並建立有關薪酬政策的正式及具高透明度的程序；
2. 經常參考董事會議決通過的企業目標及宗旨，以審閱及批准按表現釐定的薪酬；
3. 釐定所有執行董事及高級管理層的具體薪酬待遇，包括實物利益、退休金保障及賠償金額，當中包括任何有關喪失或終止職務或委任而須支付之賠償費用，並就非執行董事的薪酬向董事會作出建議；



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| <p>4. reviewing and approving the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;</p> <p>5. reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;</p> <p>6. ensuring that no Director or any of his associates is involved in deciding his own remuneration; and</p> <p>7. advising the shareholders on how to vote in respect of any service contract of Director which shall be subject to the approval of shareholders (in accordance with the provisions of Rule 13.68 of the Listing Rules).</p> | <p>4. 審閱及批准就有關喪失或終止職務或委任而須向執行董事及高級管理層作出的賠償，以確保該賠償符合有關合約條款且賠償款項對本公司而言屬合理及適當；</p> <p>5. 審閱及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該安排符合有關合約條款且賠償款項屬合理及適當；</p> <p>6. 確保董事或其任何聯繫人士概無參與決定本身薪酬；及</p> <p>7. 按上市規則第13.68條之條文規定，對任何須經股東批准之董事服務合約，就股東如何投票提供意見。</p> |
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Where circumstances are considered appropriate, some Remuneration Committee decisions are approved by way of written resolutions passed by all the committee members.

倘於認為適當的情況下，薪酬委員會的若干決定可以全體委員會成員通過書面決議案之方式批准。

For the year ended 31 December 2005, there was one meeting held. The following was an attendance record of the Remuneration Committee meeting for the year ended 31 December 2005:

截至二零零五年十二月三十一日止年度曾舉行一次會議。以下為薪酬委員會於截至二零零五年十二月三十一日止年度舉行的薪酬委員會出席記錄：

Attendance of individual Directors at Remuneration Committee meeting in 2005:

2005年薪酬委員會會議個別董事的出席率：

Number of meeting	會議次數	1	
Remuneration Committee members:	薪酬委員會成員：		
LAM Kwok Hing (Chairman of the Remuneration Committee)	藍國慶先生 (薪酬委員會主席)	1/1	100%
NAM Kwok Lun	藍國倫先生	1/1	100%
CHEN Wei-Ming Eric	陳偉明先生	0/1	0%
KWAN Wang Wai Alan	關宏偉先生	1/1	100%
NG Chi Kin David	伍志堅先生	1/1	100%
Average attendance rate	平均出席率	80%	

During the meeting, the remuneration committee approved the monthly remuneration for each of the Executive Directors was fixed to around HK\$54,000 and annual remuneration for each of the Independent Non-Executive Directors was fixed to HK\$50,000, payable annually in April.

ACCOUNTABILITY AND AUDIT

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2005, the directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

The Company has announced its annual and interim results in a timely manner within the limits of 4 months and 3 months respectively after the end of the relevant period, as laid down in the Listing Rules.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

於會議期間，薪酬委員會批准各執行董事之每月酬金約為54,000港元，而各獨立非執行董事之每年酬金為50,000港元並於每年四月支付一次。

問責及審核

管理層向董事會提供有關解釋及資料，令董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事負責監督每個財政期間會計賬目的編製，以真實和公平地反映該期間本集團財政狀況及業績與現金流量。在編製截至二零零五年十二月三十一日止年度的會計賬目時，董事已貫徹採用合適的會計政策，採納與集團業務及本財務報表有關的適用香港財務報告準則及香港會計準則，作出審慎及合理的判決及估計，並已按持續經營為基礎編製賬目。

本公司已按照上市規則的規定，在有關期間完結後的四個月及三個月限期內，分別適時地發表全年業績公佈及中期業績公佈。

董事會會平衡、清晰及明白地評審年度報告及中期報告、其他涉及股價敏感資料的通告及根據上市規則規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料。

INTERNAL CONTROL

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Board has clearly defined the authorities and key responsibilities of each business and department to ensure adequate checks and balances.

The internal control system has been designed to safeguard the Group's assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information; to provide reasonable, but not absolute, assurance against material fraud and errors. Policies and procedures are established to ensure compliance with applicable laws, regulations and industry standards and as the on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

Systems and procedures are also established to identify, measure, manage and control different risks arising from different business and functional activities. Risk management policies and major control limits are established and approved by the Board. Significant issues in the management letters from external auditors and reports from regulatory authorities will be brought to the attention of the Audit Committee to ensure that prompt remedial action is taken. All recommendations will be properly followed up to ensure they are implemented within a reasonable period of time.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and consolidated financial statements is sound and is sufficient to safeguard the interests of shareholders, customers and employees, and the Group's assets.

內部監控

董事會及高層管理人員負責設立，維持及執行一有效的內部監控系統。本公司的內部監控系統包括一個完善的組織架構和全面的政策及準則。董事會已清楚界定各業務及營運部門的權責，以確保有效之制衡。

本公司設有內部監控系統，以保障本公司資產免受損失或被盜用；妥善保存會計紀錄以提供可靠的財務資料；就欺詐及重大錯誤合理地作出防範，惟不能確保其絕對不會發生。本公司已訂立政策和程序，確保遵照有關法律、規例和行業標準，以及確定、評估及管理本集團所面對的重大風險，程序包括當營商環境或規例指引變更時，更新內部監控系統。

本公司已制定系統及程序，用以識別、量度、管理及控制各業務及營運部門的各種風險。風險管理政策及藉以控制主要風險的規限由董事會擬定及批准。外聘核數師致管理層函件及監管機構報告內的重要事項均提呈審核委員會審閱，確保能及時採取補救行動，並跟進所有建議，確保能在合理時間內執行。

董事會認為回顧年度內及截至本年報及綜合財務報表刊發日期，現存的內部監控系統穩健，及足以保護股東、顧客和員工的利益及集團的資產。

AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu has been reappointed as the Group's external auditors at the 2005 Annual General Meeting until the conclusion of the next Annual General Meeting. Apart from the provision of annual audit services, Deloitte Touche Tohmatsu also carried out review of the Group's results and others of the Group.

		Remuneration 酬金 HK\$'000 千港元
Audit services	年度審核服務	684
Others	其他	423
Total	總計	<u>1,107</u>

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders, therefore, the Board establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press releases. Such information is also available on the Group's website.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board together with the external auditors are present to answer shareholders' questions. An annual general meeting circular is distributed to all shareholders at least 21 days before the annual general meeting. It sets out the procedures for demanding and conducting a poll and other relevant information of the proposed resolutions. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the annual general meeting and (except where a poll is demanded) reveals how many proxies for and against have been filed in respect of each resolution. The results of the poll, if any, will be published in the newspapers and on the Company's website.

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year 2005 and up to the date of this Annual Report as required by the Listing Rules.

核數師酬金

德勤•關黃陳方會計師在二零零五年股東週年大會獲繼續委任為本公司外聘核數師，直至下屆股東週年大會為止。除每年提供審核服務外，德勤•關黃陳方會計師亦審閱本集團的業績及提供其他服務。

		Remuneration 酬金 HK\$'000 千港元
Audit services	年度審核服務	684
Others	其他	423
Total	總計	<u>1,107</u>

與股東溝通

董事會認同與所有股東有良好的溝通至為重要，因此，本公司設立不同渠道保持與股東溝通，包括刊印年報，中期報告及新聞稿，該等資料亦上載於本公司的網頁。

本公司的週年股東大會提供寶貴場合讓董事會直接與股東溝通。董事會主席連同外聘核數師均會出席股東週年大會，解答股東提問。有關股東週年大會的通函於大會舉行前最少二十一天寄發予所有股東，通函載列要求及舉行票選的程序及其他建議的議案的有關資料。主席將會在股東週年大會開始時再次解釋要求及舉行票選的程序及(若已要求票選除外)透露每一個議案已存檔所代表贊成及反對的票數。票選的結果(如有)將會在報章及本公司網站刊登。

股東大會上亦會就每一獨立重大事項提呈決議案，包括選舉董事。

根據本公司從公開途徑所取得的資訊及就各董事所知，本公司於二零零五年度內及至本年報刊登日期間，有維持上市規則所定的公眾持股量。