

The board of directors of the Company (the "Board") is committed to achieving high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest in general. The Board believes that high standards of corporate governance provide a framework and solid foundation for achieving, attracting and retaining the high standard and quality of the Group's management, promoting high standards of accountability and transparency and meeting the expectations of all the Group's various shareholders.

The principles of corporate governance adopted by the Group emphasize a quality board, sound internal control, and transparency and accountability to all the shareholders.

The Company has complied with all code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31st December 2005 except that non-executive directors had no set term of office but retired on rotation basis.

Below are the corporate governance practices adopted by the Group.

THE BOARD

The Board is responsible for the oversight of the management of the Company's business and affairs of the organization with the objective of enhancing shareholders' value.

The Board, led by the Chairman, is responsible for the approval and monitoring of Group wide strategies and policies, approval of annual budgets and business plans, responsible for the day-to-day operations of the Group under the leadership of the President.

As at 31st December 2005, the Board comprised nine directors, including the Chairman, one President, four non-executive directors and three independent non-executive directors. Biographical details of the directors appear under the directors and senior management section on page 6.

本公司董事會(「董事會」)致力達到高標準的企業管治，以確保較佳的透明度及保障股東的整體利益。董事會相信高標準的企業管治可為本集團提供一個框架及堅實的基礎，以達致、吸引及維持高標準及高質素的管理、提高標準的問責性及透明度及符合本集團不同股東的期望。

本集團所採納的企業管治原則強調一個高質素的董事會、有效內部監控及對所有股東的透明度及問責性。

本公司已於截至二零零五年十二月三十一日止年度遵守上市規則附錄十四所載之企業管治常規守則之所有守則條文，惟非執行董事並無固定任期，並須輪席退任。

以下為本集團採納的企業管治常規。

董事會

董事會以提升股東價值為目標，負責監察對本公司業務及事務的管理。

董事會在主席領導下，負責批准及監察集團的策略和政策、批准年度預算和業務計劃以及在總裁領導下集團的日常營運。

於二零零五年十二月三十一日，董事會由九位董事組成，包括主席、一位總裁、四位非執行董事和三位獨立非執行董事。各董事的個人資料載於第6頁的董事及高級管理人員一節內。

For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with the Group. In determining the independent of directors, the Board follows the requirement set out in the Listing Rules.

The roles of the Chairman separate from that of the President. Such division of responsibilities helps to reinforce their independence and accountability.

The Chairman is responsible for providing leadership to, and overseeing, the functioning of the Board to ensure that the Board acts in the best interests for the Group so that Board meetings are planned and conducted effectively. The Chairman is primarily responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by other directors for inclusion in the agenda. With the support of the President and the Company Secretary, the Chairman seeks to ensure that all directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages directors to be fully engaged in the Board's affairs and make contribution to the Board's functions. To this end, in addition to the regular Board meetings, the Chairman holds meetings with non-executive directors at least annually without the executive directors' presence. The Board, under the Chairman's leadership, has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders.

The President is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's businesses, the President attends to developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board and are directly responsible for maintaining the operational performance of the Group. Working with the senior management team, they ensure that the Board is fully apprised of the funding requirements of the businesses of the Group and presented the annual budgets to the Board for consideration and approval. In addition, they ensure that the funding requirements of the businesses are met and the operating

董事須經董事會確定與集團並無任何直接或間接的重大關係，方會被視為具獨立性。董事會按照上市規則的規定，確定董事的獨立性。

主席肩負有別於總裁的職責，以加強他們的獨立性和問責性。

主席負責領導與監管董事會的運作，確保董事會以符合集團最佳利益的方式行事，並有效地規劃和舉行董事會會議。主席主要負責批准每次董事會會議的議程，當中適當考慮其他董事建議列入議程的事項。在總裁和公司秘書協助下，主席將確保所有董事獲簡報在董事會會議上提出的問題，並適時獲得足夠及可靠的資訊。主席也積極鼓勵董事全面參與董事會的事務以及對董事會的職能作出貢獻。為此，除定期的董事會會議外，主席與非執行董事至少每年在沒有執行董事出席的情況下，舉行一次會議。在主席的領導下，董事會已採納良好的企業管治實務和程序，並採取適當步驟與股東保持有效溝通。

總裁負責管理集團的業務，以及制訂與執行集團政策，並就集團整體營運業務向董事會負上全責。作為集團業務的主要管理人，總裁負責制訂反映董事會的長遠目標與優先事項的策略性營運計劃，同時直接負責維持集團的營運表現。總裁與行政管理隊伍通力合作，確保董事會全面了解集團業務的資金需求，並呈呈年度預算供董事會審批。此外，負責確保業務的資金需求得到充足供應，同時根據計劃及預算密切監察營運與財務

and financial results are closely monitored against plans and budgets, taking remedial actions when necessary and the Board is advised of significant developments and issues. Ongoing dialogues are maintained with the Chairman and all directors to keep them fully informed of all major business developments and issues.

The Board meets regularly, and at least four times a year. Between scheduled meetings, senior management of the Group provides information to directors on a timely basis on the activities and developments in the businesses of the Group and when required, additional Board meetings are held. In addition, directors have full access to information on the Group and independent professional advice whenever deemed necessary by the directors.

The Board held four meetings in 2005 with an average attendance rate of 100%.

業績、必要時採取補救措施，並就重大發展與事故向董事會提供意見。主席和所有董事保持溝通，確保他們充分了解所有重大的業務發展與事情。

董事會定期開會，並每年最少舉行四次會議。在編定會期的會議之間，集團高級管理人員會適時向董事提供有關集團活動和業務發展的資料，並按需要舉行額外的董事會會議。此外，董事可於其認為需要時取得集團資料和獨立的專業意見。

董事會於二零零五年舉行了四次會議，平均出席率為100%。

Director

董事

**No. of board meetings
 attended/held in 2005 and
 up to the date of this report
 由二零零五年至本報告日期止
 期間董事會會議出席次數／舉行次數**

Executive Directors

Mr. Ko Chun Shun, Johnson (Chairman)
 Mr. Lui Pan, Terry (President)

執行董事

高振順先生 (主席)
 呂品先生 (總裁)

4/4
 4/4

Non-executive Directors

Ms. Cheung Sum Yu, Fiona
 Mr. Shaw Sun Kan, Gordon
 Mr. Jerry Sze
 Mr. Itzhak Shenberg

非執行董事

張心瑜女士
 蕭宇成先生
 Jerry Sze 先生
 Itzhak Shenberg 先生

4/4
 4/4
 4/4
 4/4

Independent Non-executive Directors

Mr. Chu Hon Pong
 Mr. Liu Tsun Kie
 Mr. Yap Tat Suan Henry

獨立非執行董事

朱漢邦先生
 劉俊基先生
 葉發旋先生

4/4
 4/4
 4/4

All non-executive directors are engaged on a service contract for a twelve-month period. All directors are subject to re-election by shareholders at the annual general meeting following their appointment and at least every three years on a rotation basis. None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). Where vacancies exist at the Board, candidates are proposed and put forward to the Board for consideration and approval, with a view of appointing to the Board individuals with leadership capabilities so as to enable the Company to retain as well as improve its competitive position.

Upon appointment to the Board, directors receive a package of orientation materials and attend extensive presentations given by senior executives to review the Group's businesses. Training and information are provided to directors regularly to help ensure that directors are aware of the latest changes in the commercial and regulatory environment in which the Group conducts its businesses.

In 2005, the Board adopted the Model Code for Securities Transactions by Directors of Listed issuers in the Listing Rules (the "Model Code") as the Group's code of conduct regarding directors' securities transactions. All directors confirmed that they have complied with the Model Code in their securities transactions throughout the year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The following statements, which set out the responsibilities of the directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Report of the Auditors on page 74 which acknowledges the reporting responsibilities of the Group's Auditors.

Annual Report and Accounts

The directors acknowledge their responsibilities to prepare financial statements for each financial year which give a true and fair view of the state of the Group.

所有非執行董事均按十二個月的服務合約聘用。所有董事獲委任後均須於股東週年大會上膺選連任，並且最少每隔三年輪值告退一次。擬於即將召開的股東週年大會中膺選連任的董事概無不可於一年內在不予賠償(法定賠償除外)的情況下終止的未滿期服務合約。如董事會出現空缺，獲提名的補任董事人選將被提呈董事會審批，旨在委任具領導才華的人士為董事，讓本公司可保留並提升競爭優勢。

獲委任加入董事會時，董事將得到一套簡介材料，並將出席由高級行政人員舉行的詳盡報告會，以全面審閱集團的業務。董事獲定期提供持續訓練及資料，確保他們掌握集團的經營業務的商業與規管環境的最新變化。

二零零五年，董事會採納上市發行人董事進行證券交易的標準守則(「標準守則」)，作為集團董事進行證券交易的紀律守則。所有董事均確認，他們於年內進行的所有證券交易均有遵守標準守則。

董事就財務報表所承擔的責任

下文列出董事就財務報表所承擔的責任，與第74頁核數師報告書內集團核數師確認其報告責任有所不同，但兩者應一併閱讀。

年報及賬目

董事確認其有責任為每個財政年度編製財務報表，以真實及公平地報告本集團的狀況。

Accounting Policies

The directors consider that in preparing the financial statements, the Group uses appropriate accounting policies that are consistently applied, and that all applicable accounting standards are followed.

Accounting Records

The directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the Hong Kong Companies Ordinance and the applicable accounting standards.

Safeguarding Assets

The directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Going Concern

The directors, having made appropriate enquires, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

COMPANY SECRETARY

The Company Secretary is responsible to the Board for ensuring that board procedures are followed and that activities of the Board are efficient and effective by assisting the Chairman to prepare agenda for meeting and by preparing and disseminating Board papers to the directors and Board Committees in a timely and comprehensive manner.

The Company Secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments and that it has regard to them when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and Codes on Takeovers and Mergers and Share Repurchases, including publication and dissemination of annual reports and interim reports within the period laid down in the Listing Rules, timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification is made of directors' dealings in securities of the Group.

會計政策

董事認為，集團在編製財務報表時貫徹應用適當的會計政策，並遵守所有適用的會計準則。

會計記錄

董事負責確保集團保存會計記錄，而此等記錄以合理的準確程度披露集團的財政狀況，並有助集團按照香港公司條例及適用會計準則的規定編製財務報表。

保護資產

董事負責採取一切合理及必要的措施保護集團資產，並防範及查察詐騙行為及其他違規事項。

持續營運

經適當的查詢後，董事認為集團擁有足夠資源在可見未來繼續營運，因此適宜採納持續營運的基準來編製財務報表。

公司秘書

公司秘書向董事會負責，其工作包括協助主席編製會議議程，並及時和全面地編製與發送董事會議議文件予董事和董事會各委員，以確保董事會程序獲得遵守和董事會活動符合效率和效益。

公司秘書負責確保董事會獲得全面簡報一切有關立法、規管和企業管治的發展，並以之作為決策的參考。公司秘書亦直接負責確保集團遵照上市規則與公司收購、合併及股份購回守則所規定的持續責任，包括於上市規則規定的期限內出版和發送報告及賬目與中期報告、及時向市場傳達有關集團的公佈與資料，並確保就董事買賣集團證券發出適當通知。

The Company Secretary also advises the directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the annual report of the directors.

With respect to the Group secretarial function, the Company Secretary leads a team that maintains formal minutes for Board and other meetings.

In relation to connected transactions, regular briefings to legal counsels within the Group are made to ensure that such transactions are handled in compliance with the Listing Rules. Detailed analyses are performed on all potential connected transactions for presentation to directors of relevant companies for their consideration in approving transactions.

AUDIT COMMITTEE

The Audit Committee, comprises three independent non-executive directors, namely Mr. Liu Tsun Kie, Mr. Chu Hon Pong and Mr. Yap Fat Suan Henry, and one non-executive director, Mr. Shaw Sun Kan, Gordon, who possess the appropriate business and financial experience and skills to understand financial statements. The Committee is chaired by Mr. Liu Tsun Kie.

Under its terms of reference, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's preliminary results, interim results and annual financial statements, to monitor compliance with statutory and listing requirements, to review the scope, extent and effectiveness of the internal control procedures of the Company, to engage independent legal or other advisers as it determines is necessary and to perform investigations.

公司秘書並就董事披露證券權益、關連交易和股價敏感資料方面的責任向他們提供意見，並確保上市規則規定的標準與資料披露獲得遵守，以及有需要時反映於每年的董事會報告中。

至於集團內部的集團秘書職能，公司秘書領導一組負責編製及保管董事會及其他會議正式記錄的團隊。

公司秘書定期向集團內部的法律顧問簡報關連交易資料，確保關連交易的處理方法符合上市規則規定。所有潛在關連交易均會進行詳細分析，並提呈有關公司的董事會供其於審批交易時考慮。

審核委員會

審核委員會包括三位獨立非執行董事劉俊基先生、朱漢邦先生和葉發旋先生，以及一位非執行董事蕭宇成先生，他們均具備了解財務報表所需的商業及財務技巧與經驗。委員會由劉俊基先生擔任主席。

根據委員會的職權範圍，審核委員會的職責包括監察與外聘核數師的關係、審閱集團的初步業績報告、中期業績與年度財務報表、監察法定與上市規定的遵守情況、檢討公司內部控制程序的範疇、規限與效益、在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

The Audit Committee held two meetings in 2005 and one meetings to date in 2006.

審核委員會於二零零五年舉行了兩次會議，並由二零零六年初至今舉行了一次會議。

Committee Member 委員會成員	Attended/Eligible to attend 已出席/合資格出席
Mr. Liu Tsun Kie 劉俊基先生	3/3
Mr. Chu Hon Pong 朱漢邦先生	3/3
Mr. Yap Fat Suan Henry 葉發旋先生	3/3
Mr. Shaw Sun Kan, Gordon 蕭宇成先生	3/3

Financial Statements

The Audit Committee meets and holds discussions with the executive directors and other senior management of the Group on the interim results, preliminary results announcement and annual reports. The Committee reviews and discusses the management's report and representations with a view to ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles general accepted in Hong Kong. It also considers reports from the Group's principal external auditors, PricewaterhouseCoopers ("PwC"), on the scope and outcome of their annual audit of the consolidated financial statements.

財務報表

審核委員會就中期業績、初步業績公布與年報與執行董事及集團其他高級管理人員舉行會議並商討有關事宜。委員會審閱及討論管理層報告及所提交的資料，以確保集團的綜合財務報表按照香港普遍採納的會計準則編製。委員會並審議集團的主要外聘核數師羅兵咸永道會計師事務所就其綜合財務報表的年度審核的範疇和結果而提交的報告。

External Auditors

The Committee reviews each year a letter from PwC confirming their independence and objectivity and holds meetings with PwC to discuss the scope of their audit.

外聘核數師

委員會每年審閱羅兵咸永道會計師事務所發出的函件，以確定其獨立性及客觀性，並與該事務所舉行會議，討論其審核範疇。

The Committee also makes recommendations to the Board on the appointment and retention of the external auditors.

委員會並就外聘核數師的委任及續聘事宜向董事會提交建議。

The Group's policy regarding the engagement of PwC for the various services is listed as follows:

集團按下列政策委聘羅兵咸永道會計師事務所提供下文所述各類服務：

- Audit service – includes audit services provided in connection with the audit of the consolidated financial statements.

- 審核服務 – 包括與審核綜合財務報表有關的審核服務。

- Audit related services – include services that would normally be provided by an external auditor but not generally included in audit fees, for example, due diligence and accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit report for tax or other purposes. The external auditors are to be invited to undertake these services that they must or are best placed to undertake in their capacity as auditors.
 - Taxation related services – include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditors where they are best suited. All other significant taxation related work is undertaken by other parties as appropriate.
 - Other services – include, for example, audits or reviews of third parties to assess compliance with contracts, risk management diagnostics and assessments, and non-financial systems consultations. The external auditors are also permitted to assist management and the Internal Auditors of the Group's holding company with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
 - General consulting services – The Group's policy is that the external auditors are not eligible to provide services involving general consulting work.
- 與核數有關的服務 – 包括一般由外聘核數師提供，但一般不包括在審核費用之內的服務，例如審核集團的退休計劃、與併購活動有關的盡職審查及會計意見、對制度及／或程序進行內部監控檢討，以及就稅務或其他目的發表特別審核報告等。集團邀請外聘核數師提供其作為核數師必須提供或最能勝任的服務。
 - 與稅務有關的服務 – 包括所有稅務循規及規劃服務，但不包括與審核有關的服務。集團委聘外聘核數師提供其最勝任的服務，而其他重要的稅務相關工作則由其他適當人士執行。
 - 其他服務 – 包括例如審核或檢討第三方的資料以評估合約遵守情況、風險管理分析及評估，以及不涉及財務制度的顧問服務等。外聘核數師並可協助管理層及集團控股公司內部審核部進行內部調查及查察懷疑的違規事項。此等服務須由審核委員會特別通過。
 - 一般顧問服務 – 根據集團的政策，外聘核數師不符資格提供一般的顧問服務。

Review of Risk Management and Internal Control

The Committee reviews the process by which the Group evaluates its control environment and its risk assessment process, and the way in which business and control risks are managed. The Committee discusses with the internal accounting team and the external auditors and considers the external auditors' internal control recommendations to the Committee on the effectiveness of the internal controls in the Group's business operations.

風險管理及內部監控的檢討

委員會檢討集團對其監控環境與風險管理的評估程序，以及對營運及監控風險的管理方式。委員會與集團控股公司內部審核部討論部門的審核工作計劃和所需的資源，並審議內部審核部就集團業務的內部監控成效向委員會所提交的報告。

REMUNERATION COMMITTEE

The Remuneration Committee comprises three independent non-executive directors, namely Mr. Liu Tsun Kie, Mr. Chu Hon Pong and Mr. Yap Fat Suan Henry. The Committee is chaired by Mr. Liu Tsun Kie. The Committee meets towards the end of each year for the determination of the remuneration packages of directors and senior management of the Group. In addition, the Committee also meets as and when required to consider remuneration related matters.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating people of the highest caliber and experience needed to shape and execute strategies across the Group's substantial, diverse and international business operations. The Committee will assist the Group in the administration of the fair and transparent procedures for the setting policies on the remuneration of directors and senior management of the Group and for determining their remuneration packages.

Prior to the establishment of the Committee in 2005, for 2004, consistent with the principles applied in the past, the remuneration of directors and senior executives was determined with reference to the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and the prevailing market conditions. Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

INTERNAL CONTROL AND GROUP RISK MANAGEMENT Introduction

The Board has the overall responsibility for the Group's system of internal control and for the assessment and management of the risks.

In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including the parameters of delegated authority, which provide a framework for the identification and management of risks. Reporting and review activities include the review of executive directors and the Board and approval of detailed operational and financial reports, budgets and plans provided by the management of the business

薪酬委員會

薪酬委員會由三位獨立非執行董事劉俊基先生、朱漢邦先生及葉發旋先生組成，其中劉俊基先生擔任主席。委員會於每年年底舉行會議，以釐定集團董事及高級管理人員的薪酬待遇。此外，委員會將按需要舉行會議，以審議薪酬相關事宜。

薪酬委員會的責任是協助董事會達成其目標，即吸引、保留與激勵最有才能和經驗的人才，為集團旗下規模龐大而多元化的國際業務制訂與執行策略。委員會將協助集團執行公平而具透明度的程序，用以制訂集團董事與高級管理人員的薪酬政策並釐定其薪酬。

在薪酬委員會於二零零五年成立之前，董事與高級行政人員於二零零四年的薪酬按照以往一貫的原則，根據集團本身的表現和盈利，並參考其他本港與國際公司的薪酬與市場情況釐定。董事與員工亦參與按集團及個人的表現釐定的花紅安排。

內部監控及集團風險管理 簡介

董事會全權負責集團的內部監控制度，以及評估與管理風險。

董事會履行職責，尋求提升集團旗下各企業的風險意識，並透過制訂政策和程序，包括界定授權的標準，藉以建立一個有助確定與管理風險的架構。匯報與審閱工作包括由執行董事與董事會審批管理層提交的詳盡營運與財務報告、預算和業務計劃；由董事會對照預算及實際業績；由董事委員會進行的審閱；集團控股公司內部審核部與

operations, the review by the Board of actual results against the budgets, the reviews by the Committees of the Board, the ongoing work of the Internal Audit and Risk Management Departments of the Group's holding company, as well as the regular business reviews by executive directors and the executive management team of each core business division.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement or loss.

Internal Control Environment

The Board is responsible for the overall monitoring of the operations of the businesses within the Group. Executive directors are appointed to the boards of all significant operating subsidiaries and associates to oversee the operations of those companies. Monitoring activities include the review and approval of business strategies, budgets, and plans, and the setting of key business performance targets. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies.

The Group's internal control procedures include the comprehensive system for reporting information to the executive management teams of each core business and the executive directors.

Business plans and budgets are prepared annually by the management of individual business and are subject to review and approval by both the executive management teams and the executive directors as part of the Group's five-year corporate planning cycle. Budgets and forecasts are reviewed on a quarterly basis and major differences are to be approved. When setting budgets and forecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The executive directors review monthly management reports on the financial results and the key operating statistics of each business and hold monthly meetings with executive management team and senior management of business operations to review these reports, business

風險管理部的持續工作；以及由執行董事及每個核心業務部門的行政管理隊伍定期進行的業務檢討。

儘管上述程序旨在確定與管理可能對集團實現業務目標有不利影響的風險，但並未對重大失實陳述或損失提供絕對保證。

內部監管環境

董事會全權負責監察集團旗下業務單位的運作。執行董事被委派加入所有經營重大業務的附屬公司及聯營公司的董事會，以出席其董事會會議及監察該等公司的運作。有關的監察工作包括審批業務策略、預算和計劃，以及制訂主要的業務表現指標。每個核心業務部門的行政管理隊伍對其部門內每項業務在協定策略範圍內的營運與表現承擔問責。

集團的內部監控程序包括一個全面的報告制度，以向每個核心業務部門的行政管理隊伍及執行董事匯報資料。

業務計劃與預算由個別企業的管理層按年編製，並須由行政管理隊伍與執行董事審批，作為集團五年企業計劃週期的一部分。業務預算每季作出修訂，並與原來的預算作出比較及重新批核。在編製預算與作出預測時，管理層將確定、評估與匯報業務蒙受重大風險的可能性與其潛在的財務影響。

執行董事審閱涵蓋每項業務的財務業績與主要營運統計數字的每月管理報告，並每月與行政管理隊伍及業務的高級管理人員舉行會議，以檢討此等報告、業務表現與預算的比較、業務預測與重

performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, each month the finance managers of business operations attend meetings with the President and the members of the Group finance team to review monthly performance and to address accounting and finance related matters.

The Group maintains a centralized cash management system for its subsidiary operations and the Group's finance department oversees the Group's investment and leading activities. A treasury report is distributed monthly to report on the Group's cash and liquid investments, borrowings and movements thereof.

The President has established guidelines and procedures for the approval and control of the expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels for such expenditures being set by reference to each executive and officer's level of responsibility. Capital expenditures are subject to overall control within the annual budget review and approval process.

Reports from the external auditors on internal controls and relevant financial reporting matters, are to be presented to the Audit Committee, and, as appropriate to the President. These reports are reviewed and appropriate actions are taken.

As part of internal control measures, a hotline has been established for staff and officers to contact Mr. Liu Tsun Kie, an independent non-executive director and Chairman of the Audit Committee, to report irregularities or any matters related to the Group.

大業務風險因素及策略。此外，各業務部門的財務經理每月與執行董事(財務)與其財務小組成員舉行會議，以檢討每月表現，以及處理會計與財務相關事宜。

集團為其附屬公司維持中央現金管理系統，而集團財務部負責監管集團的投資與借貸活動，並每週發出有關集團現金及流動投資、借貸與有關變動的庫務報告。

總裁已為開支的批准與控制訂立指引與程序。營業支出均須根據整體預算作出監管，並由各個業務按各行政人員及主任的職責輕重相稱的開支批核水平進行內部監控。資本性支出須按照年度預算審訂及批核程序進行全面監控。

外聘核數師向審核委員會，並按需要向總裁提交有關內部監控與相關財務報告事宜的報告。該等報告會被審閱及採取適當行動。

其中內部監控程序包括設立電話專線供員工直接聯絡獨立非執行董事兼審核委員會主席劉俊基先生匯報任何關於集團不正常的活動或其他事項。

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHT

The Group actively promotes investor relations and communications by setting up regular briefing meetings with the investment community when the interim and year end financial results are announced. The Group, through the Senior Vice President - Finance, responds to request for information and queries from the investment community.

The Board is committed to providing clear and full performance information of the Group to shareholders through various publications and annual reports. In addition to dispatching circulars, notices, financial reports to shareholders, additional information is also available to shareholders through Corporate Information on the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 21 days' notice is given. The Chairman and directors are available to answer questions on the Group's businesses at the meeting. All shareholders have statutory rights to call for special general meetings and put forward agenda items for consideration by shareholders. All substantive resolutions at the annual general meeting are decided on a poll. The poll is conducted by the Group's Registrars. Financial and other information is made available on the Group's website, which is regularly updated.

The Group values feedback from shareholders on its effort to promote transparencies and foster investor relationships. Comments and suggestions are welcome and can be addressed to the President by mail or by e-mail to the Group's website.

投資者關係及股東權益

集團於中期及全年財務業績公佈後，主動為投資界人士安排定期簡報會，藉此促進投資者關係與雙向溝通。集團並透過高級財務副總裁回應索取資訊的要求及投資界人士的查詢。

董事會透過刊印年度報告，致力為股東提供清晰及全面的集團業績資料。股東除獲寄通函、通告與財務報告外，亦可登入本集團網站「公司資料」(Corporate Information)取得更多資料。

集團鼓勵股東出席股東週年大會，並給予最少二十一天通知。主席與董事均出席大會，以解答有關集團業務的提問。所有股東均有法定權力可要求召開股東特別大會並提出議程以供股東考慮。股東週年大會上所有重要的決議案均以按股數表決方式進行投票。投票是由集團的股份過戶登記處點算，而投票結果將於集團網站公佈。集團網站並登載定期更新的財務及其他資料。

本集團致力提高透明度與促進投資者關係，並且十分重視股東對這方面的回應。如有意見與建議，歡迎以書面或以電郵至本集團網站予總裁。