

# Corporate Governance Report

## 企業管治報告

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identify and formalize the best corporate governance practices appropriate to the needs of its business.

The Company's corporate governance practices are based on the principles ("Principles") and the code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). The Company has complied with most of the Code Provisions save for the Code Provisions on internal controls which are to be implemented for accounting periods commencing on or after 1 July 2005 pursuant to the CG Code and certain deviations from the Code Provisions in respect of Code Provisions A.4.1 and A.4.2 and Code Provision E.1.2, details of which are explained below. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

The Company wishes to highlight the importance of its Board of Directors ("Board") in ensuring effective leadership and control of the Company and transparency and accountability of all operations.

The key corporate governance principles and practices of the Company are summarised as follows:

### The Board RESPONSIBILITIES

The Company has formalised and adopted the written terms on the division of functions reserved to the Board and delegated to the management.

The day-to-day operations of the Company are delegated to the management while the Board provides leadership and approves strategic policies and plans with a view to enhance shareholder interests.

The Board reserves for its decisions all major matters of the Company, including: objectives and overall strategies of the Company; annual budgets and financial matters; internal control and risk management systems; equity related transactions such as issue of shares/options, repurchase of shares, dividend, raising of capital loan; determination of major business strategy; merger and acquisition; disposal of business unit; major investment; annual financial budget in turnover, profitability and capital expenditure; review and approval of financial performance and announcement; and matters as required by laws and ordinance.

本公司深明優良的企業管治對公司健全發展的重要性，故致力尋求及釐訂最優秀和切合集團業務需要的企業管治方案。

本公司之企業管治方案乃根據香港聯合交易所有限公司(「聯交所」)制訂之證券上市規則(「上市規則」)附錄十四「企業管治常規守則」(「守則」)所附載的原則(「原則」)和守則條文(「守則條文」)而釐訂。本公司遵守大部份守則條文，除於二零零五年七月一日起或以後之財政年度生效之內部監控守則條文，而就守則條文A4.1、A4.2和E.1.2，本公司有若干偏離守則條文行為，將於以下詳述。本公司定時檢討企業管治方案，以確保其一直符合守則之要求。

本公司欲在此強調其董事會(「董事會」)於領導、管理公司，並確保所有業務透明度及問責度的重要性。

本公司主要的企業管治原則及方案撮列如下：

### 董事會 責任

本公司已釐訂及執行有關董事會及管理層職能分配之書面守則。

為保障股東利益，管理層被委派管理公司之日常運作，而董事會則負責領導及審批策略性措施及計劃。

董事會對於公司所有主要事務保留決策權，包括：公司的目標及全面策略、年度預算和財務事項、內部監控和風險管理機制、與股票證券有關的交易如發行股票/認股証、股票回購、股息、籌募資本貸款、制訂主要業務策略、收購合併、出售業務、重大投資、年度營業額、盈利能力和資本性支出的財政預算、審閱及審批財政表現及公告，以及處理法律和條例要求的事務。

## The Board continued

### RESPONSIBILITIES CONTINUED

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Managing Director (who is also the Chief Executive Officer) and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the Chief Executive Officer and the senior management to discharge its responsibilities.

### COMPOSITION

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

The Board of the Company comprises the following directors:

#### *Executive Directors*

Arthur H. del Prado (Chairman of the Board and Remuneration Committee)

Lam See Pong, Patrick (Managing Director and Chief Executive Officer)

Fung Shu Kan, Alan (Financial Director)

#### *Non-Executive Director*

Arnold J. M. van der Ven (Appointment effective on 14 March 2006)

## 董事會續

### 責任續

所有董事能全權和適時取得所有有關的資料，以及公司秘書的意見和服務，以確保遵守董事會程序及所有適用規則及規例。

在合理及適當的情況下，每位董事均可要求以本公司經費諮詢獨立專業意見。

本公司日常的管理、行政和運作皆授權予董事總經理（同時亦為行政總裁）及高級管理層，董事會亦會定時檢討所授予之職能和工作任務。上述管理層所進行的任何重大業務交易均須得到董事會核准。

董事會得到行政總裁及高級管理層全力支持以履行其職責。

### 組成

為了決策獨立和履行業務所需，董事會成員具備適當所需技巧和經驗。

本公司董事會擁有以下董事：

#### *執行董事*

Arthur H. del Prado (董事會主席及薪酬委員會主席)

林師龐 (董事總經理及行政總裁)

馮樹根 (財務董事)

#### *非執行董事*

Arnold J. M. van der Ven (委任於二零零六年三月十四日生效)

## The Board continued

### COMPOSITION CONTINUED

#### Independent Non-Executive Directors

Orasa Livasiri (Chairman of Audit Committee and Member of Remuneration Committee)

Tang Koon Hung, Eric (Member of Audit Committee and Remuneration Committee)

Lee Shiu Hung, Robert (Member of Audit Committee and Remuneration Committee)

None of the members of the Board is related to one another.

During the year ended 31 December 2005, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The non-executive directors together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

### APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors. The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company.

## 董事會續

### 組成績

#### 獨立非執行董事

Orasa Livasiri (審核委員會主席及薪酬委員會成員)

鄧冠雄 (審核委員會及薪酬委員會成員)

李兆雄 (審核委員會及薪酬委員會成員)

所有董事會成員皆沒有任何親屬關係。

截至二零零五年十二月三十一日止年度，董事會一直符合上市規則內有關委任至少三位獨立非執行董事，而至少一位獨立非執行董事具備適當的專業資格，或具備適當的會計或相關的財務管理專長。

根據上市規則規定，本公司已收到每位獨立非執行董事之書面年度確認，確認其獨立性。本公司根據上市規則裡的獨立守則認為全部獨立非執行董事確屬獨立人士。

非執行董事們擁有豐富實務經驗，包括審計、法律事務、營運、會計、企業內部監控及管制事宜。透過積極參與董事會會議，帶領處理牽涉利益衝突之事務，以及成為董事委員會成員，所有非執行董事對本公司制訂更有效業務方向貢獻良多。

### 董事委任及接任制度

董事會整體負責檢討其成員組合、建立及制訂其遴選及董事委任的程序，並監察其委任及接任制度，以及評核獨立非執行董事的獨立性。董事會亦定期檢討成員架構、人數及成員組合，務求平衡各方的專業知識、技巧及資歷，以符合本公司的業務要求。

## The Board continued

### APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS CONTINUED

The Chairman and the Managing Director (also being the Chief Executive Officer) are responsible for the selection and recommendation of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. Mr. Arnold J. M. van der Ven was selected and recommended for directorship during the year whose appointment as a non-executive director was formalised and effective on 14 March 2006.

The Company has not yet adopted Code Provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election. All the non-executive directors of the Company are not appointed for a specific term although in practice they are subject to retirement on rotation and re-election at the Company's annual general meetings pursuant to the Company's Articles of Association. In accordance with Article 113 of the Company's Articles of Association, one-third of the directors (save for the Managing Director), or if their number is not three nor a multiple of three, then the number nearest to one-third but not exceeding one-third, shall retire from office and being eligible, offer themselves for re-election at annual general meetings. As the Company had a total of six directors, Messrs Arthur H. del Prado, Lam See Pong, Patrick, Fung Shu Kan, Alan, Tang Koon Hung, Eric and Lee Shiu Hung, Robert and Miss Orasa Livasiri during the year ended 31 December 2005 (Mr. Arnold J. M. van der Ven was appointed on 14 March 2006) which is a multiple of three, and in practice, the Company's Managing Director, also being an Executive Director, has also been subject to retirement by rotation at annual general meetings, all directors are subject to retirement by rotation once every three years.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

## 董事會續

### 董事委任及接任制度續

主席及董事總經理(同時亦為行政總裁)負責根據候選人的專長、資歷、專業知識、個人誠信及所投入時間,以及本公司的需求和其他相關法定要求及守則,作出遴選及推薦。於本年度,Arnold J. M. van der Ven先生獲推薦並選為非執行董事,並於二零零六年三月十四日起生效。

根據守則條文第A.4.1條規定,非執行董事應有指定任期,並須接受重新選舉,惟本公司尚未採納該守則條文。本公司全部非執行董事均沒有指定任期,然而實際上根據本公司之組織章程細則,非執行董事須於股東週年大會輪換卸任及須再次參選方可連任。按組織章程細則第113條,三分之一的董事(董事總經理除外)或如董事會人數不是三或其倍數,則計算其最接近而不超過三分之一的人數須於股東週年大會上退任,並可接受重選。截至二零零五年十二月三十一日止年度,本公司共有六名董事,分別為Arthur H. del Prado先生、林師龐先生、馮樹根先生、鄧冠雄先生、李兆雄先生及Orasa Livasiri小姐(Arnold J. M. van der Ven先生於二零零六年三月十四日獲委任),由於董事會成員人數為三的倍數,及按照慣例,本公司的董事總經理同時擔任執行董事,須於股東週年大會上輪流退任;所有董事須於每三年輪流退任一次。

根據守則條文第A.4.2條規定,所有為填補臨時空缺而被委任的董事,須於其獲委任後首次股東大會上接受股東選舉。每位董事(包括有指定任期的董事)須輪流退任,至少每三年一次。

## The Board continued

### APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS CONTINUED

In accordance with Article 117 of the Company's Articles of Association, any new director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, when he/she shall be eligible for re-election. Mr. Arnold J. M. van der Ven was appointed as an additional director by the Board on 14 March 2006 and he shall retire and offer himself for re-election by shareholders at the forthcoming annual general meeting pursuant to this Article.

In addition, Messrs Lam See Pong, Patrick and Fung Shu Kan, Alan shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting pursuant to Article 113.

The Board recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

In order to ensure full compliance of the Company's Articles of Association with Code Provisions A.4.1 and A.4.2 of the CG Code, a special resolution will be proposed at the forthcoming annual general meeting of the Company to amend the Company's Articles of Association so that all directors will be subject to retirement by rotation once every three years and any new director appointed to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

### TRAINING FOR DIRECTORS

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

## 董事會續

### 董事委任及接任制度續

根據本公司組織章程細則第117條，於年度內獲委任的新董事須在任至下次股東週年大會，屆時他/她便可接受重選。Arnold J. M. van der Ven先生於二零零六年三月十四日獲委任為新增董事，根據此細則他須於即將舉行之股東週年大會退任並表示願意膺選連任。此外，根據第113條，林師龐先生及馮樹根先生亦將於即將舉行之股東週年大會退任，而彼等具資格並表示願意膺選連任。

董事會建議於即將舉行之本公司股東週年大會重新委任正待重選之董事。

為了確保本公司組織章程細則完全遵守守則條文於第A.4.1及A.4.2條之規定，於即將舉行之股東週年大會上，本公司將提出更改本公司組織章程細則的特別決議案，規定所有董事均須每三年輪流退任一次，而為填補臨時空缺而被委任的董事則須於其獲委任後首次股東大會上接受股東投票重選。

### 董事訓練

每位新委任董事均在首次接受委任時獲得全面、正式及特為其而設的就任須知，以確保他/她對本公司的業務及運作均有適當的理解，以及全面認知其本身在上市規則及相關監管規定下對其責任及義務的要求。

本公司亦會在有需要時為董事提供持續簡報及專業培訓。

## The Board continued

### BOARD MEETINGS

#### Number of Meetings and Directors' Attendance

Seven Board meetings were held during the year.

The individual attendance (either in person or through other electronic means of communication) record of each director at the meetings of the Board, the Remuneration Committee and the Audit Committee during the year ended 31 December 2005 is set out below:

Directors 董事名稱		Attendance/ Number of Meetings 出席次數／會議總數		
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
<i>Executive Directors</i> 執行董事				
Arthur H. del Prado (Chairman of the Board and Remuneration Committee)	Arthur H. del Prado (董事會主席及薪酬委員會主席)	4/7	1/1	N/A
Lam See Pong, Patrick (Managing Director and Chief Executive Officer)	林師龐 (董事總經理及行政總裁)	5/7	N/A	N/A
Fung Shu Kan, Alan (Financial Director)	馮樹根(財務董事)	7/7	N/A	N/A
<i>Independent Non-Executive Directors</i> 獨立非執行董事				
Orasa Livasiri (Chairman of Audit Committee)	Orasa Livasiri (審核委員會主席)	6/7	1/1	6/6
Tang Koon Hung, Eric	鄧冠雄	6/7	1/1	6/6
Lee Shiu Hung, Robert	李兆雄	6/7	1/1	6/6

#### Practices and Conduct of Meetings

Notices of regular Board meetings are served to all directors at least 14 days before the meetings while reasonable notice is generally given for other board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or to the relevant committee members at least 2 days before each Remuneration Committee Meeting or at least 4 days before each Audit Committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

## 董事會續

### 董事會會議

#### 會議數目及董事出席率

本公司於年度內舉行了七次董事會會議。

下表詳列截至二零零五年十二月三十一日止年度，個別董事於董事會、薪酬委員會及審核委員會的會議出席紀錄(親身及透過電子通訊設備出席會議)。

#### 會議的應用指引及守則

所有董事均於董事會定期會議舉行至少十四天前接獲通知，而其他董事會會議則於合理時間前發出通知。委員會會議亦按有關職權範圍所規定的通知期發出通知。

會議議程、會議文件及有關適當、完備及可靠資訊至少於董事會會議前三天送交全體董事，在薪酬委員會會議前兩天、或審核委員會會議前四天送交有關委員會成員，以確保董事能夠在掌握公司最新的發展及財務狀況下作出決定。董事會及每位董事在需要時有自行接觸高級管理人員的獨立途徑。

## The Board continued

### BOARD MEETINGS CONTINUED

#### Practices and Conduct of Meetings continued

Minutes of all Board meetings and committee meetings are kept by the Company Secretary. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

## Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority.

The positions of the Chairman and the Chief Executive Officer are held by Mr. Arthur H. del Prado and Mr. Lam See Pong, Patrick (who is also the Managing Director) respectively. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The Chief Executive Officer, supported by the executive directors, is responsible for managing the Group's business, including implementation of objectives, policies and major strategies and initiatives adopted by the Board.

## 董事會續

### 董事會會議續

#### 會議的應用指引及守則續

公司秘書備存所有董事會及委員會的會議紀錄。會議紀錄初稿在會議後合理期間內先予所有董事傳閱及表達意見，而最後定稿則公開予所有董事查閱。

根據現行董事會守則，任何牽涉大股東或董事有利益衝突的重大交易，應由董事會以適當的董事會議處理。本公司之組織章程細則亦有條款要求有關董事於董事會會議上表決通過涉及其或其任何聯繫人的重大利益之交易時，必須放棄表決權，且不得計入通過會議的法定人數。

## 主席及行政總裁

公司全力支持主席及行政總裁之間的職責分工，以確保權力和授權分佈均衡。

主席及行政總裁之職位現分別由 Arthur H. del Prado 先生及林師龐先生（亦為公司的董事總經理）擔任，其各自的職責已清楚界定並以書面列載。

主席領導及負責使董事會按良好的企業管治常規有效運作。在高級管理人員的支援下，主席亦負責確保董事適時收到充分、完備及可靠的資訊，以及於董事會會議上就商討之事項得到所需的簡報。

在執行董事的支援下，行政總裁負責管理集團的業務，包括實行由董事會制訂的目標、政策及主要策略及建議。

## Board Committees

The Board has established two committees, namely, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and are available to shareholders upon request.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

### REMUNERATION COMMITTEE

Mr. Arthur H. del Prado is the chairman while all the three independent non-executive directors are the members of the Remuneration Committee.

The primary objectives of the Remuneration Committee include establishing a formal and transparent procedure for setting policy on the remuneration of the executive directors and for fixing the remuneration packages of all directors and the senior management. The Remuneration Committee is also responsible for ensuring the remuneration packages are sufficient to attract and retain the directors needed to run the Company successfully; to avoid over-paying and ensure no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets towards the end of each year for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and other related matters. The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy, structure and remuneration packages.

The Remuneration Committee met once during the year ended 31 December 2005 and reviewed the remuneration policy and packages of the executive directors for the year under review.

## 董事委員會

董事會已成立兩個委員會，分別為薪酬委員會及審核委員會以監察公司不同層面的事務。所有公司董事委員會之成立均有書面界定之職權範圍，各董事委員會的職權範圍已刊載於公司網頁，如股東有需要時可向公司索取查閱。

董事委員會獲得充足資源以履行其職責，並在合理的要求下，於適當情況尋求獨立專業意見，費用由公司支付。

### 薪酬委員會

Arthur H. del Prado先生為委員會主席，而全體三位獨立非執行董事為薪酬委員會成員。

薪酬委員會的主要目的包括設立一套正規而具透明度的程序，以制訂有關執行董事酬金的政策、及釐訂所有董事及高級管理人員的薪酬待遇。薪酬委員會亦負責確保所定的酬金待遇足以吸引及挽留公司成功營運所需的一眾董事，委員會亦須避免公司支付過多的酬金，並同時確保任何董事或其任何聯繫人士不得參與訂定其本身的酬金。該酬金將按個人及公司的表現，以及市場的常規和情況而釐定。

薪酬委員會通常會在每年年底開會以檢討酬金政策和結構、決定執行董事的每年酬金待遇，以及其他相關事項。薪酬委員會應就薪酬政策、架構及薪酬待遇的有關建議諮詢公司主席及/或行政總裁。

薪酬委員會已於截至二零零五年十二月三十一日止年度期間舉行一次會議，並檢討執行董事於該回顧年內的酬金政策及待遇。

## Board Committees continued

### AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors (including two independent non-executive directors who possess the appropriate professional qualifications or accounting or related financial management expertise) and Ms. Orasa Livasiri is the chairman of the committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held six meetings with the Financial Director during the year ended 31 December 2005 to review the financial results and reports; financial controls, internal controls and risk management systems; and the re-appointment of the external auditors. The Company's annual results for the year ended 31 December 2005 has been reviewed by the Audit Committee.

There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

## 董事委員會續

### 審核委員會

審核委員會成員為三位獨立非執行董事(包括兩位持有合適專業資格, 或於會計、相關財政管理擁有專門知識的獨立非執行董事), 委員會主席由Orasa Livasiri小姐擔任, 審核委員會中並無任何成員曾為本公司現時外聘核數師的前合夥人。

審核委員會的主要責任如下:

- (a) 審閱財務報表、財務報告及考慮所有由合資格會計師或外聘核數師提出的重大或不尋常事項。
- (b) 審閱公司與外聘核數師的關係, 就外聘核數師的工作、酬金及聘用條款, 向董事會提供有關外聘核數師之委任、重新委任及罷免的建議。
- (c) 審閱公司財務申報制度、內部監控系統、風險管理系統及有關程序是否足夠及有效。

審核委員會於截至二零零五年十二月三十一日止年度內與財務董事共召開了六次會議, 以審閱業績、財務報告、財務監控、內部監控和風險管理系統, 並重新委任外聘核數師。審核委員會已審閱公司截至二零零五年十二月三十一日止年度之全年業績。

並無任何重大不明朗事件或情況可能會影響本公司持續經營的能力。

董事會及審核委員會並無就挑選、委任、辭職或解僱外聘核數師出現意見不一致的情況。

### Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31st December, 2005.

The Company also has established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”) for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

### Responsibilities in respect of the financial statements and auditors’ remuneration

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2005.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the “Report of the Auditors” on page 54.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2005 amounted to HK\$4,327,000 and HK\$2,151,000 respectively.

### Shareholder rights and investor relations

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders’ meetings are contained in the Company’s Articles of Association. Details of such rights and procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

### 進行證券交易的標準守則

本公司已採納上市規則之附錄十「上市發行人董事進行證券交易的標準守則」（「標準守則」）。

本公司已對全體董事作出具體查詢，而董事確認於截至二零零五年十二月三十一日止年度內均遵守「標準守則」。

本公司亦已就有關僱員買賣證券事宜設定書面指引（「僱員書面指引」），指引內容不比標準守則寬鬆。有關僱員指可能會擁有關於本公司的未公開股價敏感資料的僱員。

本公司並無發現有任何僱員不遵守「僱員書面指引」。

### 有關於財務報表的責任及核數師酬金

董事會負責平衡、清晰及明白地評審公司之年度及中期報告、涉及股價敏感資料之公佈及根據上市規則及其他監管規條規定須予披露的其他財務資料。

董事已確認負上編製截至二零零五年十二月三十一日止年度財務報表的責任。

本公司外聘核數師已於刊載於第54頁之《核數師報告》就他們的申報責任作出聲明。

截至二零零五年十二月三十一日止年度，本公司對外聘核數師就審核及非審核服務之酬金開支分別為港幣4,327,000元及港幣2,151,000元。

### 股東權利及投資者關係

股東之權利及有關要求在股東大會以投票方式表決的程序已載列於公司之組織章程細則。有關權利及程序的詳情亦載列於所有股東通函內，並將在會議期間解釋。每當有需要以投票方式表決時，將會解釋投票程序詳情。

### Shareholder rights and investor relations continued

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the websites of the Company and of the Stock Exchange.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board.

Although the Chairman of the Board has not attended the 2005 annual general meeting of the Company (which is deviated from Code Provision E.1.2) during his absence in Hong Kong, the Managing Director (who is also the Chief Executive Officer) has chaired the meeting and answered questions at the meeting.

The chairman of the Audit Committee was also available to answer questions thereat.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at [asmpacific.com](http://asmpacific.com), where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

### 股東權利及投資者關係續

投票結果將於股東大會後第一個工作天刊登於報章，並於公司和聯交所的網站公佈。

公司的股東大會為股東和董事會提供溝通機會。儘管董事會主席因不在香港而未能參與二零零五年股東週年大會(未能符合守則條文E.1.2之要求)，董事總經理(同時是行政總裁)代替主席於會議上主持會議及回答問題，審核委員會主席亦可對提問作出回應。

股東大會中已就各項問題提出個別決議案，包括個別董事之選舉。

本公司一直致力加強與投資者的溝通和關係。專責的高級管理人員與各機構投資者和分析員保持緊密聯繫，向他們發放有關公司最新發展的消息，並確保投資者的查詢均能適時獲得充份資料的回應。

為促進有效通訊，本公司亦已設立 [asmpacific.com](http://asmpacific.com) 網站，向公眾廣泛發佈有關公司業務發展、營運、財務狀況、企業管治常規與其他資料及其最新情況。