

Corporate Governance

公司治埋



Throughout the year to 31st December 2005, the Company complied with the provisions of the Code on Corporate Governance set out in Appendix 14 of the Listing Rules save and except that the independent non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with Articles 120 and 121 of the Company's Articles of Association.

The Company has a policy of seeking to comply with established best practice in the field of corporate governance. The Board has adopted core values and standards which set out the behaviours expected of staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders of the Group. One of the core values communicated within the Group is a belief that the highest standard of integrity is essential in business.

BOARD OF DIRECTORS

The Company is controlled through its Board of Directors. The Board's main roles are to create value to shareholders, to provide leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable them to meet those objectives. The Board, which meets at least four times a year has a schedule of matters reserved for its approval.

The specific responsibilities reserved for the Board include: setting Group strategy and approving an annual budget and medium-term projections; reviewing operational and financial performance; approving major acquisitions, divestments and capital expenditure; reviewing the Group's systems of financial control and risk management; approving appointments to the Board and the Company Secretary; approving policies relating to Directors' remuneration and relevant policies; and ensuring that a satisfactory dialogue takes place with shareholders.

The Board currently comprises six executive Directors and four independent non-executive Directors. The names of the Directors together with their biographical details are set out on pages 27 to 31. There is no relationship (including financial, business or family relationship(s)) among the Board members. Save that Mr. Xu Haoming and Dr. Lin Zhijun were appointed on 23rd June 2005 and 15th September 2005 respectively all the Directors served throughout the period under review.

於截至二零零五年十二月三十一日止年度內之所有時間，除本公司之獨立非執行董事由於依據本公司組織章程細則第一百二十條及第一百二十一條規定于股東周年大會上輪值告退及連任規定而並無指定任期外，本公司均有遵守於上市規則附錄十四之企業管治常規守則。

本公司的既定政策是務求於企業管治範疇中達至最佳企業管治水平。董事會採納的核心價值，是期望員工在保持與股東、客戶、其他同事、供應商及本集團其他有關人士之處事方式能達到預期的標準。而當中於本集團普遍傳達的一個核心價值是保持最高操守水平是業務發展的一個必備元素。

董事會

本公司在董事會的控制下運作。董事會之主要責任是為股東創造價值，帶領本集團，制訂本集團之策略目標及確保所需財務及其他資源足以令到其達致該等目的。董事會每年最少開會4次並有一系列事項留待其審批。

有待董事會審議的事項包括：制訂本集團策略、審批年度預算及中期預測；檢討營運及財務表現；審批重大收購及出售項目及資本開支；檢討本集團之財務監控及風險管理系統；審批董事及公司秘書之委任；以及審批與董事酬金及相關的政策，並確保與股東之間保持足夠溝通。

本公司董事會現時有6位執行董事，4位獨立非執行董事。其董事名稱及其簡歷載於本年報第27至31頁內。董事會成員之間並不存在任何財務、業務、家屬間的關係。除徐浩明先生及林志軍博士分別於六月二十三日及九月十五日獲委任外，其餘各董事皆於二零零五年全年擔任董事職務。

BOARD OF DIRECTORS (continued)

The independent non-executive Directors have constructively helped develop proposals on strategy and have brought strong, independent judgment, knowledge and experience to the Board's deliberations. The independent Directors are of sufficient caliber and number that their views carry significant weight in the Board's decision making process. The Board considers all its non-executive Directors to be independent in character and judgment and has received written confirmations from the independent non-executive directors of their independence pursuant to the requirements of Rule 3.13 of the Listing Rules.

The Directors are given access to independent professional advice, at the Group's expense, when the Directors deem it is necessary in order for them to carry out their responsibilities.

Six board meetings were held during the year.

INTERNAL CONTROL

The Board is responsible for the Group's system of internal control; sets appropriate policies on internal control; seeks regular assurance that enables it to satisfy itself that the system is functioning effectively; and ensures that the system of internal control is effective in managing risks in an approved manner.

The Directors have conducted ongoing reviews of the effectiveness of the Group's system of financial and non-financial controls, including operational and compliance controls, risk management and the Group's high-level internal control arrangements. These reviews include an assessment of internal controls, and in particular internal financial controls, by the internal audit function, management assurance of the maintenance of control and reports from the external auditors on matters identified during the course of their statutory audit work.

董事會 (續)

獨立非執行董事們皆能於策略上提供具建設性之建議，於董事會決策上亦帶來睿智、富經驗及有力之獨立判斷。各獨立董事均具備足夠才能，其數目亦足以使其意見在董事會在制訂決策時佔有重要比重。董事會認為所有非執行董事於品格及判斷力上均具獨立性。董事會亦已接獲各獨立非執行董事就根據上市規則第3.13條之要求確認其獨立性之確認函。

董事們可在其認為有需要時，尋求獨立專業意見，以履行其職責，費用由本集團支付。

於二零零五年內，董事會共召開6次會議。

內部監控

董事會負責本集團之內部監控系統，制訂適合的內部監控政策，務求令內部監控系統能有效操作；並保證內部監控系統於認可的模式下能有效地控制風險。

董事亦不斷檢討本集團財務及非財務監控系統是否有效恰當，包括運作監控及合規監控、風險管理及本集團較高層面內部監控安排。該等檢討包括內部監控評估，特別是由內部審計部進行的內部財務監控，及檢討管理安排與及檢閱外部核數師於其法定審計範圍內所發現的事項。

INTERNAL CONTROL (continued)

The Group views the careful management of risk as a key management activity. Managing business risk to deliver opportunities is a key element of all activities. This is done using a simple and flexible framework that provides a consistent and sustained way of implementing the Group's values. These business risks, which may be strategic, operational, reputation-related, financial or environmental, should be understood and visible. The business context determines in each situation the level of acceptable risk and controls.

THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The division of responsibilities between the Chairman of the Board, Mr. Wang Mingquan and the Chief Executive Officer, Dr. Zhou Liqun is clearly defined and has been approved by the Board.

The Chairman leads the Board in the determination of the corporate objectives and the relevant strategies. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution of Directors and effective communication with shareholders and ensures that the Directors receive accurate, timely and clear information.

The Chief Executive Officer has direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group.

BOARD COMMITTEES

Executive Committee

The Executive Committee currently comprises six members who are Executive Directors. The Committee is chaired by Mr. Wang Mingquan, the Chairman of the Board. The other members are Mr. Guo You, Dr. Zhou Liqun, Madam He Ling, Mr. Chen Shuang and Mr. Xu Haoming. The Committee assists the Board to fulfill its oversight role over the Company.

One committee meeting was held during the year.

內部監控 (續)

本集團視審慎風險管理為一項主要管理項目，認為從管理業務風險中尋找機會是所有業務活動的重要基礎。全賴本集團採納一個簡單而靈活架構，冀能提供一個可貫徹執行本集團信念的方法。該等業務風險可能是策略上、營運上、與信譽有關、財政上或有關環境的均需要清晰界定及識別。並需要在不同情況的營商環境下決定能夠接受的風險程度及應採取的監控方法。

主席及行政總裁的角色

董事會主席王明權先生及行政總裁周立群博士的責任分工已清楚界定及已經獲董事會審批。

主席帶領董事會制訂企業目標及有關策略。主席亦負責安排董事會事務，確保其有效性及擬定會議議程，並鼓勵董事全力投入董事會事務，以及促進與股東之間有良好的溝通。並確保董事及時獲得充分及清晰的資訊。

行政總裁直接負責本集團日常業務營運狀況。並須向董事會匯報有關本集團的財務及營運業績。

董事會組成

執行委員會

執行委員會現時由6位執行董事組成。主席由董事會主席王明權先生擔任。其他成員包括郭友先生、周立群博士、賀玲女士、陳爽先生及徐浩明先生。執行委員會協助董事會對本公司及其附屬公司發揮其監控職能。

委員會於二零零五年內召開1次會議。

BOARD COMMITTEES (continued)

Management Committee

The Management Committee currently comprises three Executive Directors, two Assistant General Managers and the Chief Financial Officer of the Company. The Committee is chaired by Dr. Zhou Liquan, the Chief Executive Officer. The Committee is responsible for the day-to-day management of the Company and execution of the Board's resolutions. It reports to the Board on a regular basis and may defer its decision to the Board in matters involving substantial commitments of the Group.

The Management Committee usually holds meetings every two weeks but it will also deal with matters on an ad-hoc basis as and when necessary.

Twenty-six committee meetings were held during the year.

RISK MANAGEMENT

Much of the Group's work in the area of risk management is facilitated by the Risk Management Committee, a sub-committee of the Management Committee, consisting of representatives from business units and the risk control department. Its role is to advise and assist management in identifying and assessing the main risks faced by the Group's business in a co-ordinated manner, to assess, identify and document the Group's risk profile and to ensure that the business units focus on critical business issues. It is chaired by an Assistant General Manager and reports regularly to the Management Committee. The Risk Management Committee's reports on the Group's risk profile are reviewed by the Board.

AUDIT COMMITTEE

During the year, the Audit Committee comprised Mr. Ng Ming Wah, Charles, Mr. Tung Wai, David, Mr. Seto Gin Chung, John and Dr. Lin Zhijun. The Committee is chaired by Mr. Ng Ming Wah, Charles. All members of the Committee are independent non-executive Directors. It will be seen from the directors' biographical details, appearing on pages 30 to 31 that the members of the Committee bring to it a wide range of experience from positions at the highest level.

董事會組成 (續)

管理委員會

管理委員會成員現時包括三位執行董事、兩位助理總經理及財務總監。主席由行政總裁周立群博士擔任。管理委員會負責本公司日常管理及負責執行董事會決議。管理委員會需要定期向董事會匯報，而在個別對本集團有重大影響事項，會交由董事會審議。

管理委員會平均每兩星期召開會議一次，但亦會因應按特別需求而召開臨時會議。

管理委員會於年內共召開26次會議。

風險管理

本集團大部分風險管理工作是由風險管理委員會負責，該委員會是管理委員會轄下一個委員會，成員由各業務單位主管及風險監控部門組成。負責向管理層提供意見及協助管理層識別及評估本集團業務上面對之主要風險並發揮協調作用；並且評估、識別及紀錄本集團之風險結構，以及確保業務部門關注業務上的重要問題。主席由助理總經理擔任，並會定期向管理委員會匯報。風險管理委員會就本集團風險評估報告書需交由董事會審閱。

審核委員會

於本年度內審核委員會成員包括吳明華先生、董偉先生、司徒振中先生及林志軍博士。主席由吳明華先生擔任。所有成員均為獨立非執行董事。從本年報第30頁至第31頁所載有關董事之個人簡歷中可以看到委員會成員均擁有廣泛豐富的經驗。

AUDIT COMMITTEE (continued)

Under its terms of reference, the Committee assists the Board to fulfill its oversight role over the Company and its subsidiaries in, among others, the following areas:

- integrity of financial statements and financial reporting process;
- internal control systems;
- effectiveness of internal audit function;
- appointment of external auditors and assessment of their qualifications, independence and performance;
- periodic review and annual audit of the Company's and the Group's financial statements; and
- compliance with applicable accounting standards and legal and regulatory requirements on financial disclosures.

The Committee meets with executive Directors and management, as well as with both the external and internal auditors. The Committee's terms of reference are available from the Company Secretary and are displayed on the Group's website, www.everbright165.com.hk.

In 2005 the Audit Committee met 8 times and discharged its responsibilities by:

- reviewing the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's detailed reports thereon;
- reviewing the appropriateness of the Group's accounting policies;
- reviewing regularly the potential impact on the Group's financial statements of certain matters such as impairments of fixed asset values and proposed Hong Kong Financial Reporting Standards;
- reviewing and approving the audit fee and reviewing fees for non-audit services payable to the Group's external auditors;
- reviewing the external auditor's plan for the audit of the Group's financial statements, which include key risks on the financial statements, confirmation of auditors' independence and the proposed audit fee, and approving the terms of engagement for the audit;

審核委員會 (續)

根據職權範圍，審核委員會協助董事會對本公司及其附屬公司在以下方面履行監控職責，其中包括：

- 財務報表的真實性和財務報告程序；
- 內部控制系統；
- 內部審核職能的有效性；
- 外部核數師的聘任及其資格、獨立性和工作表現的評估；
- 本公司及本集團財務報表的定期審閱和年度審計；及
- 遵循有關會計準則及法律和監管規定中有關財務資訊披露的要求。

審核委員會成員與執行董事及管理層開會；亦會與外部核數師及內部審計人員開會。委員會之職權範圍可向公司秘書索取及已刊載於本集團網頁 www.everbright165.com.hk。

審計委員會於二零零五年內共召開8次會議，履行的職務如下：

- 審議本集團財務報表及中期財務報表以供董事會審批，以及審批該等財務報表書內之外部核數師詳細報告；
- 審議本集團會計政策是否適合；
- 定期檢討就若干事件如固定資產減值及建議採納香港會計財務報告準則對本集團財務報表潛在的影響；
- 審議及審批本集團支付外部核數師的審計費用，並且檢討非審計費用；
- 檢討外部核數師就審計本集團財務報表的計劃，包括財務報表上主要風險，確認核數師的獨立性及建議審計費用，以及審批聘用核數師之條款；

AUDIT COMMITTEE (continued)

- reviewing the annual report on the Group's systems of internal control and its effectiveness, reporting to the Board on the results of the review and receiving regular updates on key risk areas of financial control;
- reviewing post-acquisition reports on integration and the performance of significant recent acquisitions;
- reviewing the risks associated with major business programmes; and
- reviewing the internal audit function's terms of reference, its work programme and semi-annual reports on its work during the year.

CHANGE OF AUDITORS

On 19th August 2005, Messrs KPMG were appointed as the auditors of the Company in place of Messrs. PricewaterhouseCoopers. The financial statements for the year 2005 were audited by Messrs KPMG.

The Board agrees with the Audit Committee's proposal for the re-appointment of KPMG as the Company's external auditor for 2006. The recommendation will be put forward for the approval of shareholders at the Annual General Meeting to be held on 26th May 2006.

NOMINATION COMMITTEE

The Nomination Committee currently comprises Mr. Wang Mingquan, Dr. Zhou Liqun, Mr. Tung Wai, David and Mr. Seto Gin Chung, John. It is chaired by Mr. Wang Mingquan.

The Nomination Committee considers the mix of skills and experiences that the Board requires and seeks the appointment of Directors to meet its assessment of what is required to ensure that the Board is effective in discharging its responsibilities. The Committee assists the Board to fulfill its oversight role over the Company and its subsidiaries in, among others, the following areas:

- nomination of new directors to the Board; and
- assessment of the performance and skills of the Directors on a regular basis

The Nomination Committee met on an ad-hoc basis or passed resolution by way of written resolutions during the year. Two committee meetings was held during the year.

During the year the Committee discharged its responsibilities by:

- reviewing the nominations of two new Directors;

審核委員會 (續)

- 審核本集團內部監控系統及其有效性之年度報告書並向董事會報告審核結果及定期收取有關財務監控之主要風險範圍的最新資訊;
- 檢討收購後的整合報告及近期主要收購業務的表現;
- 審議與主要業務項目有關的風險;及
- 審議內部審計職權範圍功能,其工作安排及於年內之每半年一度的工作匯報。

更換核數師

於二零零五年八月十九日,畢馬威會計師事務所獲委任為本公司核數師,以填補離任的羅兵咸永道會計師事務所。本公司二零零五年十二月三十一日止年度財務報表由畢馬威會計師事務所審計。

董事會同意審核委員會再度委聘畢馬威會計師事務所為本公司二零零六年度的外聘核數師的建議。推薦建議將在二零零六年五月二十六日舉行的股東週年大會上提呈予股東批准。

提名委員會

目前提名委員會成員包括王明權先生、周立群博士、董偉先生及司徒振中先生。主席由董事長王明權先生擔任。

提名委員會需考慮董事會要求的綜合技能及經驗以尋找董事適當人選,務求能達到委員會評估為必須的要求,以確保董事會能有效地履行其職務。該委員會負責協助董事會對本公司及其附屬公司在以下方面實現監控職責,其中包括:

- 提名新的董事人選加入董事會;及
- 負責定期評審董事表現及技能。

於年內提名委員會以特發形式召開會議或以書面傳閱方式通過議案。提名委員會於二零零五年內共召開2次會議。

於二零零五年內,提名委員會履行的職務如下:

- 審議兩名新任董事之提名;

NOMINATION COMMITTEE (continued)

- considering the appropriateness of re-appointment of independent non-executive Directors who have served the Company for more than 9 years; and
- reviewing the terms and conditions of appointment letters of the non-executive Directors.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises Mr. Wang Mingquan (Chairman of the Committee), Mr. Ng Ming Wah, Charles, Mr Tung Wai, David, Mr. Seto Gin Chung, John and Dr. Lin Zhijun. Non-committee members were invited to attend the committee meeting when necessary.

The Committee's principal responsibilities are:

- setting, reviewing and recommending to the Board for approval the Group's overall remuneration policy and strategy;
- setting, reviewing and approving individual remuneration packages for executive Directors and the Chairman including terms and conditions of employment and any changes to the packages;
- reviewing the salary structure and terms, conditions and benefits of employment of other Board Committee members and senior management; and
- approving the rules, and launch, of any Group share, share option or cash-based incentive scheme and the grant, award, allocation or issuance of shares, share options or payments under such schemes.

In addition, the Committee regularly reviews the Group's remuneration policy in relation to:

- competitors and industry norms;
- compensation commitment; and
- contract periods.

The Committee also reviewed the key performance indicators of the Group and senior management and the performance appraisal manual for senior management and recommended the same for approval by the Board.

提名委員會 (續)

- 考慮是否適合重選已服務本公司超過九年的獨立非執行董事; 及
- 審議獨立非執行董事委任函之條款。

薪酬委員會

目前薪酬委員會由王明權先生(委員會主席)、吳明華先生、董偉先生、司徒振中先生及林志軍博士擔任。當有需要時非委員會成員亦會被邀請參加會議。

委員會之主要職責為:

- 制訂、檢討及向董事會建議本集團整體薪酬政策及策略;
- 制訂、檢討及審批執行董事及主席之個別薪酬待遇包括僱用條款及其後之任何變動;
- 檢討薪酬結構及其他董事會委員會成員及高級管理人員之僱用條款及利益; 及
- 審批本集團根據認股權規則及任何認股權的發放; 以及根據該計劃授出、給予、分配或發行有關股份、認股權或所付出款項。

此外, 委員會就以下因素定期檢討薪酬政策:

- 競爭對手及業內慣例;
- 賠償承諾; 及
- 合約期限。

委員會亦於年內審議了本集團及高層管理人員的主要績效指標及高層管理人員績效考核辦法, 並向董事會建議採納有關指標及考核辦法。

○ CORPORATE GOVERNANCE

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REMUNERATION COMMITTEE (continued)

The Committee's terms of reference are available from the Company Secretary and are displayed on the Group's website, www.everbright165.com.hk.

Two committee meetings were held during the year.

ATTENDANCE

The attendance of the Directors at board meetings and various committee meetings is set out below:

薪酬委員會 (續)

委員會之職權範圍可向公司秘書索取及已於本集團網頁 www.everbright165.com.hk 發放。

薪酬委員會於年內共召開2次會議。

出席率

各董事出席董事會及各委員會的情況如下列：

Directors/ Members	董事／委員	Board Meetings 董事會	Executive Committee Meetings 執行委員會	Nomination Committee Meetings 提名委員會	Audit Committee Meetings 審計委員會	Remuner- ation Committee Meetings 薪酬委員會	Management Committee Meetings 管理委員會
Executive Director	執行董事						
Wang Mingquan	王明權	6/6	1/1	2/2	**	2/2	**
Xu Bin (resigned on 23rd September 2005)	許斌 (2005年 9月23日辭任)	2/4	**	**	**	**	**
Guo You	郭友	5/6	**	**	**	**	**
Xie Zhichun (retired on 26th May 2005)	解植春 (2005年 5月26日退任)	0/1	**	**	**	**	**
Zhou Liquan	周立群	6/6	1/1	2/2	**	2/2	26/26
He Ling	賀玲	5/6	1/1	**	**	**	25/26
Chen Shuang	陳爽	5/6	1/1	**	**	**	25/26
Lau Chung Man, Louis (resigned on 23rd May 2005)	劉仲文 (2005年 5月23日辭任)	1/1	**	**	**	**	9/9
Xu Haoming (appointed on 23rd June 2005)	徐浩明 (2005年 6月23日獲委任)	5/5	**	**	**	**	**
Independent Non-executive Director	獨立非執行董事						
Ng Ming Wah, Charles	吳明華	5/6	**	**	8/8	2/2	**
Tung Wai, David	董偉	5/6	**	2/2	5/8	2/2	**
Seto Gin Chung, John	司徒振中	6/6	**	2/2	8/8	0/0 [#]	**
Lin Zhijun (appointed on 15th September 2005)	林志軍 (2005年 9月15日獲委任)	2/3	**	**	1/1*	**	**

** N/A

** 不適用

Mr. Seto Gin Chung, John has been appointed as a member of Remuneration Committee with effect from 23rd June 2005.

司徒振中先生於二零零五年六月二十三日獲委任為薪酬委員會成員。

* Dr. Lin Zhijun has been appointed as a member of Audit Committee with effect from 15th September 2005.

* 林志軍博士於二零零五年九月十五日獲委任為審計委員會成員。

PROFESSIONAL DEVELOPMENT

Newly appointed Directors will take part in an induction programme where they will receive information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the Board and committees, and the powers delegated to those committees, the Group's corporate governance practices and procedures and the latest financial information about the Group.

Throughout their period in office the Directors are continually updated on the Group's business, the competitive and regulatory environments in which it operates, corporate social responsibility matters and other changes affecting the Group. Directors are also advised on appointment of their legal and other duties and obligations as a director of a listed company, both in writing and in face-to-face meetings with the Company Secretary.

RE-ELECTION

Subject to the Company's Articles of Association, the Listing Rules and satisfactory performance evaluation, non-executive Directors are appointed for a period of not more than three years. The reappointment of Directors who have served for more than nine years is subject to review by the Nomination Committee.

INFORMATION

Regular reports and papers are circulated to the Directors in a timely manner in preparation for Board and Committee meetings. These papers are supplemented by information specifically requested by the Directors from time to time.

THE COMPANY SECRETARY

The Company Secretary is responsible for advising the Board on all governance matters. The Directors have access to the advice and services of the Company Secretary. The Company's Articles of Association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

專業發展

新委任的董事將會參與就職介紹，從中可獲得有關本集團資料，包括董事須扮演的角色，及需要留待董事會決策的事項，董事會及各委員會的職權範圍及成員，以及由董事會轉授予各委員會的權力範圍；本集團公司治理常規及程式以及本集團最新財務資料。

董事於其任內，會獲得關於本集團業務情況的最新情況，包括有關監管規則，業內競爭環境；企業社會責任事宜及可影響本集團整體企業運作的其他轉變；董事亦可以書面或會面形式，要求公司秘書就其擔任上市公司董事於法理及其他職務以及義務上提供意見。

重選

根據本公司組織章法細則、上市規則及滿意的表現考評，非執行董事委任年期不能多過3年。而任滿9年之董事重選資格需由提名委員會審議。

資料

董事會及委員會資料及定期報告應適時供董事傳閱。如董事不時提出特別要求需要進一步資料時，務須提供額外資料予以補充。

公司秘書

公司秘書負責向董事會就所有公司治理事宜提供意見。董事均可取得公司秘書的意見及享用其所提供的服務。本公司組織章程細則及於董事會審批事項中公司秘書的任免需要經由董事會以開會形式通過。

AUDITORS' INDEPENDENCE AND OBJECTIVITY

The Audit Committee monitors regularly the non-audit services being provided to the Group by its external auditors, and will check from time to time to ensure that the provision of such non-audit services does not impair their independence or objectivity, and that the Group maintains a sufficient choice of appropriately qualified audit firms. In any case, activities that may be perceived to be in conflict with the role of the external auditor must be submitted to the Audit Committee for approval prior to engagement, regardless of the amounts involved. The Audit Committee reviews all services being provided by the external auditors annually to review the independence and objectivity of the external auditors, taking into consideration relevant professional and regulatory requirements, so that these are not impaired by the provision of permissible non-audit services.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted an "Employee Dealing Manual", applicable to both employees and Directors of the Group, which is no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in both the said Code and the Model Code throughout the year of 2005.

AUDITORS' FEES

The Company's 2005 financial statements were audited by Messrs. KPMG at a total audit fee of approximately HK\$1,259,000. The said audit fee was approved by the Audit Committee and endorsed by the Board. KPMG had provided non-audit services to the Company amounted to HK\$10,000 in 2005.

核數師的獨立性及客觀性

審核委員會定期監察由外部核數師向本集團提供的非審計服務及將不時檢查以確保彼等在提供非審計服務時不會損害其獨立性及客觀性，以及能為本集團提供足夠合資格的會計師事務所以供選擇。如在任何情況下有關行動當被視為與外部核數師有利益衝突時（不論涉及任何數額），須要於委任前呈報審核委員會預先審批。審核委員會每年度檢討由外部核數師提供之所有服務之獨立性及客觀性。考慮有關專業及監管要求，使到其在提供可允許非審計服務時不會損害其獨立性及客觀性。

董事的證券交易

本公司已採納實施了一套可適用於董事及僱員買賣證券的守則（「該守則」）。該守則的條款比上市規則內《上市公司董事證券交易的標準守則》（「標準守則」）中的強制性要求更為嚴格。本公司已就此事專門徵詢所有董事，所有董事均已確認其於二零零五年度內嚴格遵守了該守則及標準守則有關條款的規定。

核數師費用

本公司二零零五年度財務報表由畢馬威會計師事務所審計，經審核委員會及董事會核准，審計服務費用合共約126萬港元。於二零零五年，畢馬威會計師事務所向本公司提供非審計服務費用合共1萬港元。

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 headed by a 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 pages 55 and 56.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Board regards continuous communication with shareholders as an important part of its role. For such purpose, the Company's annual general meetings ("AGM") offer a valuable forum for the Board to communicate directly with shareholders who are encouraged to actively participate at such meetings. At the AGM, all shareholders, including private investors, have an opportunity to put questions to members of the Board on matters relating to the Group's operation and performance. Shareholders are also invited to ask questions during the meeting and to meet with Directors after the formal proceedings have ended.

The Chairmen of the Management Committee, the Audit Committee, members of the Nomination Committee and Remuneration Committee and representatives of PricewaterhouseCoopers were present at the Company's 2005 annual general meeting held on 26th May 2005 at the Ritz Carlton Hotel to respond to questions and comments raised by shareholders.

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55頁及56頁之核數師報告書內。

與股東的溝通及股東權利

董事會高度重視與股東持續保持對話，尤其是藉著股東周年大會（「股東大會」）與股東直接溝通及鼓勵他們的參與。於股東大會上，所有股東包括私人投資者，均有機會向董事會就本集團營運及業績作出提問。於該會中，股東亦被邀請發表問題以及於會後與董事會面。

管理委員會主席、審核委員會主席、提名委員會成員及薪酬委員會成員，及羅兵咸永道會計師事務所の代表均出席了本公司於二零零五年五月二十六日於香港麗嘉酒店舉行的二零零五年度股東週年大會，以回應股東於會上提出的查詢。



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COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS (continued)

The Group maintains a corporate website, www.everbright165.com.hk which contains a wide range of information of interest to institutional and private investors.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

與股東的溝通及股東權利(續)

本集團在集團網站www.everbright165.com.hk上向各界投資者提供與本集團有關的各類資料。

足夠的公眾持股量

根據本公司公開取得之資料，以及就本公司董事所知，於本年報刊發日期，本公司維持上市規則所規定之公眾持股量。