

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to upholding high standards of corporate governance. The Board believes effective corporate governance will translate into greater transparency, more effective risk controls and ultimately enhance shareholders' value.

The Company has complied with the Code on Corporate Governance Practices (the "Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year 2005 except that the non-executive directors of the Company are not appointed for specific terms with the exception of Mr. Steven Shafran who is appointed for a term of three years, and the Chairman of the Board did not attend the annual general meeting for the year 2005 due to other business commitment.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions. Having made specific enquiry, all directors have fully complied with the required standard set out in the Model Code throughout the year of 2005.

BOARD OF DIRECTORS

The Board currently comprises seven executive and six non-executive directors of whom three are independent, whose biographical details are set out in the Directors' Profile section on pages 34 to 37 which demonstrate a balance of core competence having regard to the business of the Group. Pursuant to the Company's Bye-laws, all directors are subject to retirement by rotation and their re-election is subject to a vote of shareholders at the annual general meeting. The Board members have no financial, business, family or other material/relevant relationships with each other. There is no such relationship as between the Chairman and the Chief Executive Officer. The Company has arranged appropriate insurance cover in respect of legal actions against its directors.

The non-executive directors provide the Group with a wide range of expertise and experience. Their participation in Board and committee meetings brings independent judgment on issues relating to the Group's strategy, performance, conflicts of interest and management process, helps to ensure that adequate checks and balances are provided and that the interests of all shareholders are taken into account.

本公司致力樹立高標準之企業管治。董事會相信，有效之企業管治可令公司更具透明度，並能更有效管理風險，最終將可提升股東價值。

除本公司非執行董事並無特定任期（施盛勳先生除外，其任期為三年），以及董事會主席因業務承諾未能出席二零零五年度股東週年大會外，本公司於二零零五年內一直遵守香港聯合交易所有限公司證券上市規則附錄 14 所載之企業管治常規守則（「守則」）。

遵守標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」）作為其董事進行證券交易之標準守則。經作出特定查詢後，全體董事均已於二零零五年內全面遵守標準守則所載之所需準則。

董事會

董事會現時包括七名執行董事及六名非執行董事，當中三名為獨立非執行董事（有關彼等之履歷詳情載於第 34 至第 37 頁董事履歷一節），就本集團之業務而言，董事會之架構顯示其核心能力相當平衡。根據本公司之細則，所有董事均須於股東週年大會上輪值告退，並經股東投票重選連任。董事會成員彼此間並無任何財務、業務、家族或其他重大／相關關係。主席及行政總裁間亦不存在該等關係。本公司已就董事可能面對法律行動作出適當保險安排。

非執行董事為本集團提供廣泛專業知識及經驗。彼等於董事會及委員會會議上就本集團之策略、表現、利益衝突及管理程序事宜作出獨立判斷，確保已作出充分審查及已取得平衡，並已考慮所有股東之利益。

The Company has three independent non-executive directors, at least one of whom has appropriate financial management expertise, in compliance with the Listing Rules. Each independent non-executive director gives the Company an annual confirmation of his independence, and the Board considers these directors to be independent under the guidelines set out in rule 3.13 of the Listing Rules.

The Board is responsible to the shareholders for leadership and control of the Group and is collectively responsible for promoting the success of the Group and its business by directing and supervising the Group's affairs. It oversees the Group's strategic development, and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance in pursuit of the Group's strategic objectives. The Board members have access to appropriate business documents and information about the Group on a timely basis. The directors are free to have access to the management for enquiries and to obtain further information when required. All directors and Board committees also have recourse to external legal counsel and other professionals for independent advice at the Group's expense if they require it.

Four Board committees, namely the Remuneration Committee, the Audit Committee, the Option Shares Committee and the Connected Transactions/Related Party Transactions Committee have been established to oversee particular aspects of the Group's affairs. The Board has delegated the execution and daily operations of the Group's business to management. However, clear directions are given to management as to the matters that must be approved by the Board before decisions are made on behalf of the Group.

遵照上市規則之規定，本公司有三名獨立非執行董事，當中最少有一人具備合適之財務管理專業知識。每名獨立非執行董事均會就其獨立性向本公司發出年度確認，而根據上市規則第3.13條所載之指引，董事會認為該等董事均為獨立人士。

董事會有責任替股東領導及監控本集團，並共同對本公司之事宜作出指示及監察，帶領本集團及使其業務步向成功。董事會須審視本集團之策略發展，以及為本集團制訂目標、策略及政策。董事會亦會監察及控制營運及財務表現，以達致本集團之策略目標。董事會成員可於適當時候獲取有關本集團之恰當業務文件及資料。董事可於有需要時隨時與管理層聯絡，以取得更多資料。所有董事及董事委員會亦可於有需要時尋求外部法律顧問及其他顧問之獨立意見，開支由本集團支付。

為審視本集團特定方面之事宜，已成立四個董事委員會，即薪酬委員會、審核委員會、期權股份委員會及關連交易／有關連人士交易委員會。董事會已指派管理層執行本集團之業務及其日常運作。然而，就必須經由董事會批准之事宜而言，均會於管理層代表本集團作出決定前向其發出清晰指示。

BOARD MEETINGS

Apart from consents obtained through circulation of written resolutions of all Board members, the full Board met nine times during the year under review at which the directors considered and approved significant matters including, among other things, interim and final results of the Group, statutory financial reports, changes in Board members, land acquisitions, placement of shares to strategic investors and issuance of senior guaranteed notes. Individual attendance of each director at such Board meetings during 2005 is set out below:

董事會會議

除透過向所有董事會成員傳閱書面決議案取得共識外，全體董事會於回顧年度內共舉行九次會議，董事於會上考慮及批准重大事宜，當中包括本集團之中期及末期業績、法定財務報告、董事會成員變動、土地收購、向策略投資者配發股份，以及發行優先保證票據。各名董事就二零零五年內舉行之董事會會議之出席率如下：

Members of the Board	董事會成員	Meetings Attended ⁽¹⁾ 出席次數 ⁽¹⁾	Attendance Rate 出席率
<i>Chairman</i>	<i>主席</i>		
Chu Mang Yee	朱孟依	6/9	67%
<i>Executive directors</i>	<i>執行董事</i>		
Xiang Bin	項斌	2/9	22%
Wu Jiesi	武捷思	5/5 ⁽²⁾	100%
Au Wai Kin	歐偉建	9/9	100%
Chen Chang Ying	陳長纓	3/9	33%
Tam Lai Ling	譚禮寧	5/5 ⁽²⁾	100%
Xiao Yan Xia	蕭燕霞	9/9	100%
<i>Non-executive directors</i>	<i>非執行董事</i>		
Chen Xiaohong	陳小紅	3/3 ⁽³⁾	100%
Hu Yongmin	胡勇敏	N/A 不適用 ⁽⁴⁾	N/A 不適用
Steven Shafran	施盛勳	3/3 ⁽⁵⁾	100%
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>		
Yuen Pak Yiu, Philip	阮北耀	8/9	89%
Lee Tsung Hei, David	李頌熹	8/9	89%
Wong Shing Kay, Oliver	黃承基	9/9	100%

Notes:

- The meetings were held on 7th March 2005, 23rd March 2005, 7th April 2005, 18th April 2005, 14th July 2005, 9th August 2005, 13th September 2005, 14th October 2005 and 16th November 2005.
- Mr. Wu Jiesi and Mr. Tam Lai Ling were both appointed on 29th April 2005.
- Ms. Chen Xiaohong was appointed on 13th September 2005.
- Mr. Hu Yongmin was appointed on 28th November 2005.
- Mr. Steven Shafran was appointed on 9th August 2005.

附註：

- 該等會議乃於二零零五年三月七日、二零零五年三月二十三日、二零零五年四月七日、二零零五年四月十八日、二零零五年七月十四日、二零零五年八月九日、二零零五年九月十三日、二零零五年十月十四日及二零零五年十一月十六日舉行。
- 武捷思先生及譚禮寧先生均於二零零五年四月二十九日獲委任。
- 陳小紅女士於二零零五年九月十三日獲委任。
- 胡勇敏先生於二零零五年十一月二十八日獲委任。
- 施盛勳先生於二零零五年八月九日獲委任。

There are fourteen additional Board meetings held during 2005 for the sole purpose of approving some operational matters such as opening of bank accounts and the provision of guarantees by the Company in respect of bank loans granted to the Company's subsidiaries which were attended by certain executive directors, namely Mr. Chu Mang Yee (14)*, Mr. Wu Jiesi (10)*, Mr. Tam Lai Ling (10)*, Mr. Chen Chang Ying (4)*, Mr. Au Wai Kin (14)* and Ms. Xiao Yan Xia (14)*.

1. ()* denotes the number of meetings attended by the director.
2. Ten meetings were held after the appointment of Mr. Wu Jiesi and Mr. Tam Lai Ling to the Board.

Between meetings, the senior management of the Company provides the directors with information on a timely basis regarding the activities and developments in the businesses of the Group and meet with the non-executive directors (including the independent non-executive directors) to seek their views on the business and operational matters of the Group.

The company secretary keeps detailed minutes of each meeting which are available to all directors.

NON-EXECUTIVE DIRECTORS

There are currently six non-executive directors of whom three are independent. The non-executive directors are not appointed for a specific term with the exception of Mr. Steven Shafran who is appointed for a term of three years. This constitutes a deviation from Code provision A.4.1 with respect to the appointment of non-executive directors for a specific term subject to re-election. However, all the directors are subject to retirement by rotation and re-election by shareholders at the annual general meeting at least once every three years in accordance with the Bye-laws of the Company. In the opinion of the Board, this meets the objective of the Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Company is Mr. Chu Mang Yee. The Chief Executive Officer of the Company is Mr. Wu Jiesi. The role of the Chairman is segregated from that of the Chief Executive Officer.

於二零零五年內亦額外舉行了十四次董事會會議，有關會議乃僅為批准若干營運事宜（如開設銀行賬戶，以及本公司就本公司附屬公司獲授之銀行貸款提供擔保）而召開，並由若干執行董事出席，彼等為朱孟依先生(14)*、武捷思先生(10)*、譚禮寧先生(10)*、陳長纓先生(4)*、歐偉建先生(14)*及蕭燕霞女士(14)*。

1. ()*顯示該董事出席會議之次數。
2. 於武捷思先生及譚禮寧先生獲委任後共舉行十次會議。

於各會議之間，本公司高級管理層會於適當時候向各董事之提供有關本集團業務活動及發展之資料，並會與非執行董事（包括獨立非執行董事）會晤，以聽取彼等對本集團業務及營運事宜之意見。

公司秘書保存每次會議之詳盡會議記錄，該等記錄可供全體董事取閱。

非執行董事

現時共有六名非執行董事，當中三名為獨立非執行董事。除施盛勳先生委有三年任期外，非執行董事並無特定任期。此舉偏離了守則第A.4.1條有關非執行董事須以特定任期委任及重選連任之規定。然而，根據本公司之細則，所有董事均最少須每三年於股東週年大會上輪值退任一次及由股東重選連任。董事會認為，此舉以達到守則之目的。

主席及行政總裁

本公司主席為朱孟依先生，而本公司行政總裁為武捷思先生。主席之職能與行政總裁分開。

The Chairman is responsible for managing and providing leadership to the Board in terms of formulating overall strategies, business directions and policies of the Company. He ensures that the Board works effectively and encourages the directors to make a full and active contribution to the affairs of the Board. With the support of the executive directors and the company secretary, the Chairman seeks to ensure that all directors are properly briefed on issues arising at Board meetings and receive complete and reliable information in a timely manner.

As Chief Executive Officer, Mr. Wu is directly responsible for the day-to-day management of the business of the Company, coordinating overall business operations and maintaining the operational performance of the Company. With the assistance of the Chief Financial Officer, he ensures that the funding requirements of the business are met and closely monitors the operating and financial results against plans and budget, taking remedial action when necessary and advising the Board of any significant developments and issues.

REMUNERATION OF DIRECTORS

The Remuneration Committee, which comprises all three independent non-executive directors, meets at least once a year. It is charged with the responsibility of assisting the Board in achieving its objective of attracting and retaining directors and senior management of the highest calibre and experience needed to develop the Group's business successfully. The Remuneration Committee is also responsible for the development of a fair and transparent procedure for setting policies on the remuneration of directors and senior management of the Company and for determining their remuneration packages. It is chaired by Mr. Yuen Pak Yiu, Philip and has specific written terms of reference which deal clearly with its authority and duties and are posted on the Company's website. The principal functions of the Remuneration Committee include:-

- to formulate remuneration policy for approval by the Board;
- to establish guidelines for the recruitment of the Chief Executive Officer and senior management;
- to recommend to the Board the policy and structure for the remuneration of the directors (including non-executive directors and the Chief Executive Officer) and senior management;

主席負責管理董事會，並領導其制訂定本公司之整體策略、業務方向及政策。彼確保董事會能有效率地行事，並鼓勵董事全情積極參與董事會事務。在執行董事及公司秘書之支援下，主席將設法確保所有董事均獲充分知會於董事會會議上發生之事宜，並可於適當時獲取完整可靠之資料。

作為行政總裁，武先生直接負責本公司業務之日常管理，協調整體業務運作及維持本公司之營運表現。在財務總監之支援下，彼確保能取得業務所須之資金，並密切監視營運及財務業績是否與計劃及財政預算相符，並於有需要時採取補救措施，以及就任何重大發展及事宜向董事會提供意見。

董事之薪酬

薪酬委員會由所有三名獨立非執行董事組成，且最少每年舉行一次會議。其成立目的為負責協助董事會招攬及保留具才幹及經驗之董事及高級管理層，以使本集團之業務能成功發展。薪酬委員會亦負責發展一套公平透明之程序，用以制訂本公司董事及高級管理層之薪酬政策，以及釐訂彼等之薪酬組合。薪酬委員會之主席為阮北耀先生，其職權已於職權範圍書內清晰訂明，並已刊載於本公司網站。薪酬委員會之主要職能如下：

- 制訂薪酬政策交董事會審批；
- 制訂招聘行政總裁及高級管理層之指引；
- 就董事（包括非執行董事及行政總裁）及高級管理層之薪酬政策及架構向董事會提供意見；

- to determine the remuneration of executive directors and senior management, including benefits in kind and compensation payments;
- to review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management;
- to determine the criteria for assessing employee performance;
- to consider the annual performance bonus for executive directors, senior management and the general staff and make recommendation to the Board.
- 釐訂執行董事及高級管理層之薪酬，包括實物利益及補償金；
- 審閱及批准離職或終止委任之補償安排，以及審批遣散或解僱行為失當之執行董事及高級管理層；
- 釐訂評核僱員表現之準則；
- 考慮向執行董事、高級管理層及一般僱員發放年度表現花紅，並向董事提供推薦意見。

One meeting was held by the Remuneration Committee during 2005 to make recommendation to the Board of the remuneration of the non-executive directors and the meeting was attended by all its members.

於二零零五年內，薪酬委員會共舉行一次會議，以就非執行董事之薪酬向董事會提供推薦意見，而薪酬委員會之所有成員均有出席該次會議。

No director is involved in deciding his/her own remuneration. Remuneration of the independent non-executive directors in respect of the year ended 31st December 2005 was approved by the shareholders of the Company at the 2005 annual general meeting.

概無董事參與釐訂其本身之薪酬。非執行董事於截至二零零五年十二月三十一止年度之薪酬乃由本公司股東於二零零五年股東週年大會上批准。

NOMINATION OF DIRECTORS

The Company does not have a Nomination Committee. New directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board having regard to the balance of skills and experience appropriate to the Company's business, are identified by existing directors and submitted to the Board for approval. A director appointed by the Board is subject to re-election by shareholders at the first annual general meeting after his appointment.

提名董事

本公司並無提名委員會。新董事由現任董事物色，並提交予董事會審批，其為具備合適資格，且於考慮到適用於本公司業務之技能及經驗後，預期會對董事會之表現帶來正面貢獻之人士。獲董事會委任之董事須於其委任後首次股東週年大會上經股東重選連任。

AUDITORS' REMUNERATION

During the year, the fees paid to the Company's auditors for audit services amounted to HK\$2,350,000 (2004: HK\$1,500,000) and for non-audit services, primarily for assignments undertaken in relation to the issuance of the senior guaranteed notes, amounted to HK\$3,429,000 (2004: Nil).

核數師之酬金

年內，就審核服務支付予本公司核數師之費用為港幣 2,350,000 元（二零零四年：港幣 1,500,000 元），並已就非審核服務（主要與發行優先保證票據授受之職務有關）支付港幣 3,429,000 元（二零零四年：無）。

AUDIT COMMITTEE

The Company's Audit Committee comprises the three independent non-executive directors and Mr. Hu Yongmin, a non-executive director. It is chaired by Mr. Yuen Pak Yiu, Philip. The Board is of the opinion that the members of the Audit Committee have sufficient accounting and financial management expertise or experience to discharge their duties. However, the Audit Committee is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary. The Audit Committee has specific written terms of reference which are posted on the Company's website. The principal functions of the Audit Committee include:

- to make recommendations on the appointment, reappointment and removal of external auditors and to consider the terms of such appointments.
 - to develop and implement policies on the engagement of external auditors for non-audit services.
 - to monitor the integrity of the financial statements, annual and interim reports and the auditors' report to ensure that the information presents a true and balanced assessment of the Group's financial position.
 - to ensure that management has fulfilled its duty to maintain an effective internal control system.
 - to review the internal audit programme and to ensure that it is allocated with adequate resources and is effective.
 - to review the external auditor's management letter and any questions raised by the auditor to management, and management's response.
- 於委聘、續聘及解僱外部核數師提供推薦意見，並考慮有關委聘條款。
 - 制訂及實行委聘外部核數師進行非審核服務之政策。
 - 監察財務報表、年度及中期報告，以及核數師報告之完整性，以確保所呈列之資料真確地反映本集團之財務狀況，並對本集團之財務狀況作出中肯評估。
 - 確保管理層已盡責維持有效之內部監控系統。
 - 檢討內部審核程序，並確保其獲分配足夠資源及具有效益。
 - 審閱外部核數師之管理函件，以及核數師向管理層提出之任何提問及管理層之回應。

審核委員會

本公司審核委員會由三名獨立非執行董事及一名非執行董事胡勇敏組成，並由阮北耀先生出任主席。董事會認為審核委員會之成員具備充足之會計及財務管理經驗以履行其職責。然而，審核委員會獲授權聽取外部法律意見或其他獨立專業意見，並於有需要時邀請具備相關經驗及專業知識之外界人士出席會議。審核委員會已訂有職權範圍書，並刊載於本公司網站。審核委員會之主要職能包括：

In 2005, the Audit Committee reviewed the results of an assessment of the Group's internal control systems, business management and preventions against fraud and other irregularities. With respect to the results of the Company for the year ended 31st December 2005, the Audit Committee reviewed with senior management and the auditors of the Company their respective audit findings, the accounting principles and practices adopted by the Group and internal control, risk management and financial reporting matters. This review by the Audit Committee included an appraisal of the integrity of the financial statements of the Company and the annual report and accounts of the Company. The Audit Committee has also reviewed the external auditors' remuneration. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

During 2005, there were two Audit Committee meetings and those Audit Committee members who attended are set out below:

於二零零五年，審核委員會已審閱本集團內部監控系統、業務管理及防範欺詐及其他違規行為之措施之評估結果。就本公司截至二零零五年十二月三十一日止年度之業績而言，審核委員會已連同本公司之高級管理層及核數師審閱彼等各自之審核結果、本集團所採納之會計準則及慣例，以及內部監控、風險管理及財務報告事宜。審核委員會之審閱包括評定本公司之財務報表、年報及賬目是否完整。審核委員會亦已審閱外部核數師之酬金。董事會與審核委員會於外部核數師之遴選、委任、辭任或解僱上並無任何爭議。

於二零零五年，審核委員會共舉行兩次會議，出席會議之審核委員會成員如下：

		Meetings Attended 出席會議次數	Attendance Rate 出席率
Yuen Pak Yiu, Philip	阮北耀	1	50%
Lee Tsung Hei, David	李頌熹	2	100%
Wong Shing Kay, Oliver	黃承基	2	100%
Hu Yongmin ⁽ⁱ⁾	胡勇敏 ⁽ⁱ⁾	N/A 不適用	N/A 不適用

(i) After the appointment of Mr. Hu Yongmin, on 28th November 2005, no Audit Committee meeting was held up to the end of 2005.

(i) 於二零零五年十一月二十八日委任胡勇敏先生後至二零零五年年底，審核委員會並無舉行任何會議。

The Audit Committee reports its work, findings and recommendations to the Board after each meeting.

審核委員會均會於每次會議後向董事會匯報其工作、結果及推薦意見。

BOARD COMMITTEES

In addition to the Remuneration Committee and the Audit Committee, two other Board committees have been established to assist the Board in the execution of its duties.

(1) Connected Transactions/Related Party Transactions Committee

The Connected Transactions/Related Party Transactions Committee was established on 4th October 2005 and is comprised of the three independent non-executive directors and Mr. Hu Yongmin, a non-executive director, and chaired by Mr. Yuen Pak Yiu, Philip. The primary function of the Connected Transactions/Related Party Transactions Committee is to review all connected transactions and related party transactions to ensure that they are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and to recommend to the Board corrective measures in such transactions if needed.

(2) Option Shares Committee

The Option Shares Committee was established on 4th November 2005 and comprised of two executive directors. Its primary function is to deal with the allotment and issue of shares of the Company upon the exercise of options granted or to be granted under the Company's share option scheme adopted on 4th November 2002.

ACCOUNTABILITY AND INTERNAL CONTROLS

The Board is responsible for presenting a clear and balanced assessment of the Group's performance, position and prospects. It is also responsible for preparing accounts that give a true and fair view of the Group's financial position on a going-concern basis and other price-sensitive announcements and financial disclosures. Management provides the Board with the relevant information it needs to discharge these responsibilities.

In preparing the accounts for the year ended 31st December 2005, the directors have selected appropriate accounting policies and applied them consistently, and have made judgements and estimates that are prudent and reasonable.

The Group has announced its annual and interim results in a timely manner within the limits of four months and three months, respectively after the end of the relevant financial periods, as laid down in the Listing Rules.

董事委員會

除薪酬委員會及審核委員會外，還成立了兩個董事會委員會協助董事會執行職務。

(1) 關連交易／有關連人士交易委員會

關連交易／有關連人士交易委員會於二零零五年十月四日成立，成員包括三名獨立非執行董事及一名非執行董事胡勇敏先生，並由阮北耀先生擔任主席。關連交易／有關連人士交易委員會之職能為審閱所有關連交易及有關連人士交易，確保該等交易乃於本集團之日常業務過程中按正常商業條款進行，並於有需要時就該等交易提供改正措施。

(2) 期權股份委員會

期權股份委員會已於二零零五年十一月四日成立，成員包括兩名執行董事。其主要職能為於根據二零零二年十一月四日採納之購股權計劃已授出或將授出之購股權獲行使時，處理本公司股份之配發及發行事宜。

問責制及內部監控

董事會負責對本集團之表現、財務狀況及前景作出清晰及中肯之評估。其亦負責按持續基準編製能真實及公平反映本集團財務狀況之賬目，以及編製其他會對股價造成波動之公佈及財務披露。管理層會向董事會提供其履行該等責任所須之相關資料。

於編製截至二零零五年十二月三十一日止年度，董事已選定合適之會計政策並貫徹使用，並已作出審慎合理之判斷及估計。

本集團已按上市規則所訂明，分別於相關財政期間結束後四個月及三個月之期限內，適時公佈其年度及中期業績。

The Board has overall responsibility for maintaining sound and effective internal controls to safeguard the Group's assets and shareholders' interests. The Group, through its Internal Control Department, performs regular checks on office procedures, practices and systems to safeguard assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. The Internal Control Department reports directly to the Group Supervisory Committee which in turn reports independently to the Board. The Internal Control Department is independent of all management functions of the Group and has direct and independent access to the Board. Summaries of major audit findings and control weaknesses, if any, are reviewed by the Audit Committee.

In 2005, no suspected frauds and irregularities, internal control deficiencies or suspected infringement of laws, rules and regulations have come to the attention of the Audit Committee to cause it to believe that the system of internal controls is inadequate.

Circulars or guidance notes were issued to directors where appropriate to ensure that they are aware of their continuing obligations as directors and corporate governance matters.

CORPORATE COMMUNICATION AND INVESTOR RELATIONS

The Company continues to promote and enhance investor relations and communications with its investors. Different communication channels have been maintained with the media, analysts and fund managers through meetings, senior management's participation in investor forums, conferences and roadshows. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's development.

To foster effective communications, the Company provides detailed press releases and reports to shareholders on the Group's business and financial positions with timely annual report and interim report. General presentations are made immediately after the announcement of financial results. The website of the Group is also updated regularly to inform investors and the general public of the latest development of the Group.

董事會須負全責維持良好及有效之內部監控措施，以保障本集團之資產及股東權益。本集團透過其內部監控部門對辦公程序、慣例及系統作定期檢查，以保障資產不會被不當運用，以及保存妥善賬目，並確保有關規例已獲遵守。內部監控部門直接向本集團之監事委員會匯報。內部監控部門獨立於本集團所有管理部門，並可直接獨立與董事會會晤。主要審核結果及監控不足之處之概要（如有）乃有審核委員會審閱。

於二零零五年，審核委員會並不知悉任何懷疑欺詐及違規行為、內部監控不足或懷疑觸犯法律、守則及規例之行為，以使其相信內部監控系統有不足之處。

在適用情況下，董事已獲發通告或指引，以確保彼等明白彼等作為董事之持續責任及企業管治事宜。

企業通訊及投資者關係

本公司不斷提倡及改善與投資者之關係及通訊方式，並會透過不同渠道與傳媒、分析員及基金經理保持聯繫，如會議、指派高級管理層出席投資者座談會、研討會及路演。

為建立具效益之溝通，本公司會向股東提供有關本集團業務及財務狀況之詳盡新聞稿及報告，以及於適當時候發出年報及中期報告，並會於公佈財務業績後隨即舉行發布會。本集團之網站亦會定期更新，以向投資者及公眾人士提供本集團之最新發展動向。

The Company's annual general meeting allows the directors to meet and communicate with shareholders, providing a forum for the shareholders' views to be communicated to the Board. All directors and senior management will make an effort to attend. External auditors are also available at the annual general meeting to address shareholders' queries. Separate resolutions were proposed for each issue considered at the annual general meeting. The annual general meeting circular is distributed to all shareholders at least 21 days prior to the annual general meeting, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The procedures for demanding and conducting a poll were explained by the chairman presiding at the annual general meeting at the beginning of the meeting and the proxies received for and against each resolution were reported to the meeting.

本公司之股東週年大會讓董事與股東接觸及交流，為股東向董事會表達意見提供場所。所有董事及高級管理層均會盡量出席大會。外部核數師亦會於會上解答股東之查詢。於股東週年大會上考慮之每項事宜均會以獨立決議案提呈。股東週年大會之通函亦會於股東週年大會舉行日期最少 21 日前寄發予股東，當中載有每項擬提呈決議案之詳情、投票程序（包括要求以點票方式表決之程序）以及其他相關資料。股東週年大會之主席亦會於大會開始時說明要求以點票方式表決之程序，並會向大會匯報投票及贊成每項決議案之代表委任表格數目。