

# REPORT OF THE DIRECTORS

## 董事會報告

The directors present herewith their annual report and the audited financial statements of Hon Po Group (Lobster King) Limited (the “Company”) and its subsidiaries (together with the Company, the “Group”) for the year ended 31st December 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries involve the operation of a chain of Chinese restaurants and food manufacturing in Hong Kong. The nature of these principal activities has not changed during the year.

### FINANCIAL STATEMENTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 43.

The state of the Group’s and the Company’s affairs as at 31st December 2005 are set out in the consolidated balance sheet on page 44 and the balance sheet on page 46, respectively.

The directors do not recommend the payment of final dividend in respect of the year ended 31st December 2005.

### FINANCIAL SUMMARY

A summary of the consolidated financial results and consolidated assets and liabilities of the Group for each of the five years ended 31st December 2005 is set out on page 104.

### PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 16 to the financial statements.

董事會提呈彼等年報及截至二零零五年十二月三十一日止年度漢寶集團(龍蝦大王)有限公司(「本公司」)及其附屬公司(「本集團」)之經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。而本公司附屬公司之主要業務為於香港營運連鎖式中式酒樓及食品製造。於本年度，主要業務之性質並無改變。

### 財務報表及股息

本集團於年內之業績載於第43頁之綜合收益表。

截止至二零零五年十二月三十一日，本集團及本公司之業務狀況分別載於第44頁之綜合資產負債表及第46頁之資產負債表。

董事並不建議派發截至二零零五年十二月三十一日止年度之末期股息。

### 財務資料概要

本集團截至二零零五年十二月三十一日止五個年度各年之綜合財務業績以及綜合資產及負債概要，列載於第104頁。

### 物業、廠房及設備

於本年度之物業、廠房及設備之變動詳情載於財務報表附註16。

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### SUBSIDIARIES

Details of the Company's subsidiaries as at 31st December 2005 are set out in note 17 to the financial statements.

### SHARE CAPITAL AND SHARE OPTIONS

Movements in share capital of the Company during the year, together with reasons thereof, and of the Company's share options, are set out in note 28 and note 29 to the financial statements respectively.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### RESERVES

Movements in reserves of the Group and the Company during the year are set out in the statements of changes in equity on pages 47 to 48.

### DISTRIBUTABLE RESERVES

At 31st December 2005, the Company had no reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands.

### 附屬公司

截至二零零五年十二月三十一日，本公司附屬公司之詳情載於財務報表附註17。

### 股本及購股權

本公司於本年度股本之變動詳情及變動原因，連同有關本公司購股權之詳情分別載於財務報表附註28及附註29。

### 優先購股權

根據本公司之組織章程細則或開曼群島（本公司註冊成立之司法權區）之法例並無有關本公司須按比例向現有股東發售新股之優先購股權之規定。

### 儲備

本集團及本公司於本年度之儲備變動詳情分別載於第47頁至第48頁之權益變動表。

### 可分派儲備

截至二零零五年十二月三十一日，本公司根據開曼群島之公司法規定計算，並無可供分派之儲備。

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### MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

### 主要客戶及供應商

於財政年度內，主要客戶及供應商分別佔本集團之銷售額及採購額如下：

Percentage of  
the Group's total  
佔本集團之總額百分比

| Sales | Purchases |
|-------|-----------|
| 銷售額   | 採購額       |

|                                     |         |                 |        |
|-------------------------------------|---------|-----------------|--------|
| Five largest customers in aggregate | 五大客戶總計  | Less than 少於30% |        |
| The largest supplier                | 最大供應商   |                 | 12.28% |
| Five largest suppliers in aggregate | 五大供應商總計 |                 | 36.80% |

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

於年內任何時間，本公司概無任何董事或彼等之任何聯繫人士或任何股東（據董事所知擁有本公司已發行股本5%以上）持有本集團主要客戶及供應商之任何權益。

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### DIRECTORS

The directors who held office during the year and up to the date of this report were as follows:

#### Executive Directors

Mr. Cheung To Sang

Mr. Chan Nun Chiu *(retired on 4th July 2005)*

Mrs. Cheung Lim Mai Tak, Grace

Mr. She Hing Chiu

Mr. Tse Chick Sang *(resigned on 5th October 2005)*

Mr. Chan Shi Yung *(appointed on 5th July 2005)*

Mr. Chui Kwong Kau *(appointed on 5th October 2005)*

Mr. Chan Wai Keung *(appointed on 18th April 2006)*

#### Non-executive Directors

Mr. Cheung Sik Pang *(resigned on 24th March 2005)*

Mr. Ng Wing Po *(resigned on 24th March 2005)*

#### Independent Non-executive Directors

Mr. Chang Kin Man

Mr. Wu Tak Lung

Ms. Lee Pui Hang, Pieann

Pursuant to the articles 87(1) and 86(3) of the Company's Articles of Association, Mrs. Cheung Lim Mai Tak, Grace, Mr. Chang Kin Man, Mr. Wu Tak Lung, Mr. Chan Shi Yung, Mr. Chui Kwong Kau and Mr. Chan Wai Keung shall retire from office at the forthcoming annual general meeting and shall be eligible for re-election.

### DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 10 to 11 of the annual report.

### 董事

於本年度及截至本報告日期之在任董事名列如下：

#### 執行董事

張道生先生

陳能照先生

*(於二零零五年七月四日退任)*

張林美德女士

余慶潮先生

謝植生先生

*(於二零零五年十月五日辭任)*

陳樹榕先生

*(於二零零五年七月五日獲委任)*

崔光球先生

*(於二零零五年十月五日獲委任)*

陳偉強先生

*(於二零零六年四月十八日獲委任)*

#### 非執行董事

張錫鵬先生 *(於二零零五年三月二十四日辭任)*

吳永波先生 *(於二零零五年三月二十四日辭任)*

#### 獨立非執行董事

鄭健民先生

吳德龍先生

李佩衡小姐

根據本公司組織章程細則第87(1)及第86(3)條，張林美德女士、鄭健民先生、吳德龍先生、陳樹榕先生、崔光球先生及陳偉強先生依章輪值告退，惟其願意在應屆股東週年大會上膺選連任。

### 董事履歷

本公司董事之履歷詳情已載列於本年報第10頁至第11頁。

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### DIRECTORS' SERVICE CONTRACTS

Except for Mr. Chan Shi Yung, Mr. Chan Wai Keung and Mr. Chui Kwong Kau, the executive directors of the Company, whom have no service contracts with the Company, each of the remaining executive directors has a service contract with the Company for an initial term of three years commencing on 1st February 2002, which will continue thereafter until terminated by either party giving not less than three months' notice in writing.

Save as disclosed above, no other directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

### DIRECTORS' INTERESTS IN CONTRACTS

Mr. Cheung To Sang and Mrs. Cheung Lim Mai Tak, Grace, who are the directors of To Sang Management Company Limited ("To Sang Management"), were interested in a lease of staff quarters entered into between To Sang Management and the Group.

Mr. Cheung Sik Pang, who is a partner and a beneficial shareholder of Tung Cheong Hong, was interested in the supplies of tea leaves to the Group.

Mr. Ng Wing Po, who is the director of N.W.P. Investments Limited ("N.W.P. Investments"), was interested in a lease of land and building to the Group.

Further details of all the above transactions are included in note 32 to the financial statements.

Save as disclosed above and in note 32 to the financial statements, no other contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries or its parent enterprise was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 董事之服務合約

除陳樹鎔先生、陳偉強先生及崔光球先生外，彼等為沒有與本公司訂立服務合約之本公司執行董事，其餘各執行董事已與本公司訂立由二零零二年二月一日起初步為期三年之服務合約。每項合約將持續直至由任何一方向另一方發出不少於三個月之書面通知予以終止。

除上述所披露者外，獲提名於應屆股東週年大會重選之其他董事概無與本公司訂立服務合約。

### 管理合約

本年度並無訂立或存在任何有關本集團業務全部或任何重大部份之管理及行政合約。

### 董事於合約中的權益

道生管理有限公司（「道生管理」）之董事張道生先生及張林美德女士於一項由道生管理與本集團訂立有關員工宿舍之租約中擁有權益。

張錫鵬先生為同昌行之合夥人及實益股東，並於向本集團供應茶葉中擁有權益。

永波投資有限公司（「永波投資」）董事吳永波先生與本集團於一項土地及樓宇之租賃中擁有權益。

上述所有交易之進一步詳情載於財務報表附註32。

除上文及財務報表附註32所披露外，於年終或本年度任何時間概無存在其他本公司、其任何附屬公司或其母公司訂立涉及本集團之業務，且本公司董事直接或間接擁有重大權益之重大合約。

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### DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES

As at 31st December 2005, the interests and short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under Section 344 of the SFO) or which are required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Number of shares held and nature of interest in Hon Po Holdings Limited (“Hon Po Holdings”), an associated corporation which through its wholly-owned subsidiary Hon Po Investment Limited held 2.98% of the Company:

### 董事於股份之權益及淡倉

於二零零五年十二月三十一日，董事及高級行政人員與彼等之聯繫人士於本公司或其任何關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中所持證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益及淡倉（包括證券及期貨條例第344條所當作或視為之權益），或證券及期貨條例第352條規定須載入該條例所指定之記錄冊之權益及淡倉，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益如下：

所持一家關聯公司，漢寶控股有限公司（「漢寶控股」）（透過其全資附屬公司漢寶投資發展（香港）有限公司持有本公司2.98%權益）之股份數目及權益性質：

|                                   |        | Personal interest<br>個人權益 | Family interest<br>家族權益         | Corporate interest<br>公司權益      | Total interest<br>權益總計 | Long/Short position<br>長倉／淡倉 |
|-----------------------------------|--------|---------------------------|---------------------------------|---------------------------------|------------------------|------------------------------|
| Mr. Cheung To Sang                | 張道生先生  |                           | (Note 1)<br>(附註1)               | 73,996,437<br>(Note 2)<br>(附註2) | 17.51%                 | Long Position<br>長倉          |
| Mr. Chan Nun Chiu                 | 陳能照先生  |                           |                                 | 53,963,137<br>(Note 3)<br>(附註3) | 12.77%                 | Long Position<br>長倉          |
| Mrs. Cheung Lim Mai Tak,<br>Grace | 張林美德女士 |                           | (Note 1)<br>(附註1)               | 43,762,162<br>(Note 4)<br>(附註4) | 10.35%                 | Long Position<br>長倉          |
| Mr. She Hung Chiu                 | 余慶潮先生  | 5,152,338                 |                                 | 7,821,000<br>(Note 5)<br>(附註5)  | 3.07%                  | Long Position<br>長倉          |
| Mr. Ng Wing Po                    | 吳永波先生  |                           |                                 | 45,913,287<br>(Note 6)<br>(附註6) | 10.86%                 | Long Position<br>長倉          |
| Mr. Cheung Sik Pang               | 張錫鵬先生  |                           | 56,037,637<br>(Note 7)<br>(附註7) |                                 | 13.26%                 | Long Position<br>長倉          |
| Mr. Tse Chick Sang                | 謝植生先生  | 2,553,425                 |                                 | 1,415,250<br>(Note 8)<br>(附註8)  | 0.94%                  | Long Position<br>長倉          |
|                                   |        |                           |                                 |                                 | 68.76%                 |                              |

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### Notes:

1. The interests in shares of his/her spouse are excluded in accordance with Section 344(1)(a) of SFO.
2. The shares are held by To Sang Management, a company which is controlled indirectly by a discretionary trust of which Mr. Cheung To Sang and certain of his children are beneficiaries.
3. The shares are held by Nun Chiu Investments Limited, a company in which Mr. Chan Nun Chiu and his wife have a controlling interest.
4. 4,700,750 shares are held by Tabo Development Limited ("Tabo Development"), a company in which Mrs. Cheung Lim Mai Tak, Grace owns approximately 74% of the issued capital. 39,061,412 shares are held by Lim Mai Tak Consultants and Investments Limited, a company which is controlled indirectly by a discretionary trust of which Mrs. Cheung Lim Mai Tak, Grace and certain of her children are beneficiaries.
5. The shares are held by Tread Wood Investment Limited, a company in which Mr. She Hing Chiu owns approximately 50% of the issued capital.
6. The shares are held by N.W.P. Investments, a company which is controlled indirectly by a discretionary trust of which Mr. Ng Wing Po's wife and certain of his children are beneficiaries.
7. The shares are held by Kung Ping Investments Limited ("Kung Ping Investments"), a company which is deemed to be controlled by Mr. Cheung Sik Pang and his wife.
8. The shares are held by King Space Limited, a company which is controlled by Mr. Tse Chick Sang.

Save as disclosed herein, none of the Directors and chief executives and their associates has any interests in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under section 344 of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

### 附註:

1. 根據證券及期貨條例第344(1)(a)條豁免其配偶之股份權益。
2. 股份由道生管理持有，一家由一全權信託間接控制之公司，該信託之受益人為張道生先生及其若干子女。
3. 股份由能照投資有限公司持有，一家由陳能照先生及其妻子均擁有控制性權益之公司。
4. 4,700,750股股份由張林美德女士持有約74%已發行股本之德寶發展有限公司（「德寶發展」）所持有。39,061,412股股份由林美德顧問投資有限公司（一家間接全權信託控制之公司，該信託之受益人為張林美德女士及其若干子女）所持有。
5. 股份由朝活投資有限公司持有，一家由余慶潮先生持有約50%已發行股本之公司。
6. 股份由永波投資持有，一家由一全權信託間接控制之公司，該信託之受益人為吳永波先生的妻子及其若干子女。
7. 股份由公平投資有限公司（「公平投資」）持有，一家被視為由張錫鵬先生及其妻控制的公司。
8. 股份由宇宙王有限公司持有，一家由謝植生先生控制的公司。

除本文所披露者外，董事及高級行政人員與彼等之聯繫人士並無於本公司或其任何關聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中持有證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益（包括證券及期貨條例第344條所當作或視為之權益），或證券及期貨條例第352條規定須載入該條例所指定之記錄冊之權益，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益。



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### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme disclosures in note 29 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31st December 2005, no person had registered an interest and short position in the share capital of the Company that was required to be recorded under Section 336 of the SFO.

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS AND CONFLICT OF INTERESTS

In year 2005, the following directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

- (i) Mrs. Cheung Lim Mai Tak, Grace, an executive director, is interested in approximately 74% of the issued share capital of Tabo Development, a shareholder of Hon Po Holdings, which in turn is interested in approximately 39.13% of the issued share capital of Golden Jumbo Thai Restaurant Limited ("Golden Jumbo"). Golden Jumbo operates a Thai restaurant in Hong Kong. As (a) Golden Jumbo is principally engaged in the provision of Thai food while the Group is principally engaged in the provision of Chinese food; (b) the Group and Golden Jumbo target different customer groups; and (c) apart from Mrs. Cheung Lim Mai Tak, Grace, Golden Jumbo is operated by management different from that of the Group, the Group is capable of carrying out its business independently of, and at arm's length from, the business of Golden Jumbo.

### 董事購入股份或債券之權利

除於財務報表附註29披露之購股權計劃，本公司或其任何附屬公司於本年度內並無訂立任何安排促使本公司之董事可透過購入股份或債券獲得本公司或其任何其他公司實體之該等權利。

### 本公司股本中之主要權益

於二零零五年十二月三十一日，並無人士於本公司股本登記之權益及淡倉須根據證券及期貨條例第336條被記錄。

### 董事於競爭業務之權益及權益衝突

於二零零五年，以下之董事被視為根據聯交所證券上市規則（「上市規則」）持有與本集團之業務有直接或間接競爭或似乎有競爭之業務的權益：

- (i) 執行董事張林美德女士持有約74%德寶發展（漢寶控股之股東之一）之已發行股本，而該公司擁有小金象泰國菜館有限公司（「小金象」）已發行股本約39.13%權益。小金象在香港經營一家泰國菜館。由於(a)小金象主要供應泰國菜式而本集團主要供應中式菜餚；(b)本集團與小金象之客戶對象並不相同及(c)除張林美德女士外，小金象之管理層與本集團不同，因此本集團之營運業務乃公平合理地獨立於小金象之業務。



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(ii) Mr. Cheung Sik Pang, a former non-executive director, through his own and his family interests in Kung Ping Investments, a substantial shareholder of Hon Po Holdings Limited, and Mr. Ng Wing Po, a former non-executive director, through his and his family interests in N.W.P. Investments, a substantial shareholder of Hon Po Holdings, are deemed to be indirectly interested in approximately 36.36% and 18.18% of the issued share capital of Very Good Restaurant Limited (“Very Good”), respectively. Very Good operates a Chinese restaurant in Hong Kong. As both Mr. Cheung Sik Pang and Mr. Ng Wing Po were former non-executive directors and were not involved in the daily management of the Group; and Very Good is a single restaurant operator, the Group is capable of carrying on its business independently of, and at arm’s length from, the business of Very Good.

(ii) 前非執行董事張錫鵬先生透過其本人及其於公平投資（為漢寶控股有限公司之主要股東之一）之家族權益，及前非執行董事吳永波先生透過其本人及其家族於永波投資（漢寶控股之主要股東）之權益分別被視為間接擁有頂好酒樓有限公司（「頂好」）已發行股本約36.36%及18.18%權益。頂好於香港經營一家中式酒樓。由於張錫鵬先生及吳永波先生均為前非執行董事，並無參與本集團之日敘管理，及頂好以單一酒樓形式經營，因此本集團之營運業務乃公平合理地獨立於頂好。

### CONNECTED TRANSACTIONS

### 關連交易

Details of the significant related party and connected transactions of the Group under the Listing Rules are set out in note 32 to the financial statements and as below:

根據上市規則本集團重大關連人士及關連交易詳情已列於財務報表附註32及下文：

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|  |                  | Notes | 2005     | 2004     |
|--|------------------|-------|----------|----------|
|  |                  | 附註    | HK\$'000 | HK\$'000 |
|  |                  |       | 千港元      | 千港元      |
| CONTINUING CONNECTED TRANSACTIONS                        | 持續關連交易           |       |          |          |
| Licence fees received from non-wholly owned subsidiaries | 來自非全資擁有附屬公司之許可證費 |       | -        | 83       |
| Purchases of foodstuffs from related companies           | 向關連公司採購食品        | (i)   | 179      | 182      |
| Rental expenses paid to related companies                | 向關連公司支付租金開支      | (ii)  | 2,664    | 8,708    |

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

- (i) The Group purchased foodstuffs from Tung Cheong Hong which is beneficially owned by Mr. Cheung Sik Pang, a non-executive director of the Company until 24th March 2005.
- (ii) The rental expenses were paid to:
  - (a) N.W.P. Investments, Mr. Ng Wing Po was a non-executive director of the Company until 24th March 2005 and a director of N.W.P. Investments which is controlled indirectly by a discretionary trust of which Mr. Ng Wing Po's wife and certain of his children are beneficiaries. The rental expenses were based on the agreement signed with the Group.
  - (b) A property beneficially owned by a shareholder Hon Po Investment Limited, which in turn is wholly-owned by Hon Po Holdings Limited, was leased to the Group for its operations. The rental expenses were based on the tenancy agreement signed with the Group.

With respect to the ongoing connected transactions entered into by the Group as set out in note 32 to the financial statements, the Stock Exchange, on application by the Company, granted the Company a waiver from strict compliance with the connected transaction requirements as set out in the Listing Rules. In the opinion of the independent non-executive directors, the ongoing connected transactions were:

1. entered into by the Company in the ordinary and usual course of its business;
2. conducted either (i) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or (ii) where there is no available comparison, on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
3. entered into either (i) in accordance with the terms of the agreements governing such transactions, or (ii) where there are no such agreements, on terms no less favourable than those available to or from independent third parties.

Save for the transactions as disclosed in note 32 to the financial statements, there were no other transactions which require to be disclosed as connected transactions in accordance with the Listing Rule.

### 附註:

- (i) 本集團向同昌行採購食品，該公司由張錫鵬先生擔任本公司非執行董事至二零零五年三月二十四日實益持有。
- (ii) 租金開支乃支付予：
  - (a) 永波投資，吳永波先生至直二零零五年三月二十四日乃是本公司之非執行董事及永波投資之董事，永波投資乃由吳永波先生之妻子及其若干子女為受益人之全權信託所間接控制。租金開支乃根據與本集團簽訂之協議計算。
  - (b) 漢寶控股有限公司全資擁有公司漢寶投資發展(香港)有限公司實益擁有之物業，乃出租予本集團作為營運用途。租金開支乃根據與本集團所簽訂之租賃協議計算。

就列於財務報表附註32本集團已訂立有關持續進行之關連交易，本公司已向聯交所申請而聯交所也授予本公司一項豁免，毋須嚴格遵守上市規則有關關連交易之規定。獨立非執行董事認為持續進行之關連交易已達下列條件：

1. 由本公司於日常及一般業務過程中訂立；
2. 須按(i)一般商業條款(該等條款乃參照同類公司進行同類性質交易而採納)或(ii)如無可供比較者，則須按對本公司股東而言屬公平合理之條款進行；及
3. 須(i)根據監管該等交易之協議條款或(ii)如無該等協議，則按不遜於給予獨立第三者之條款訂立。

除與財務報表附註32所披露之相關交易外，並無其他交易須根據上市規則以關連交易之方式作出披露。

# REPORT OF THE DIRECTORS

## 董事會報告

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year.

### BANK BORROWINGS AND BANKING FACILITIES

Details of bank borrowings and banking facilities of the Company and the Group as at 31st December 2005 are set out in note 26 to the financial statements.

### POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 34 to the financial statements.

### CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 12 to 25 of this Annual Report.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 as its own Code of conduct regarding securities transactions by the directors of the Company. All Directors have confirmed following specific enquiry by the Company that they have complied with the required standard set out in the Model Code during the year.

### 購買、贖回或出售本公司上市證券

於年內，本公司或其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

### 銀行借貸及銀行融資

本公司及本集團於二零零五年十二月三十一日之銀行借貸及銀行融資詳情載於財務報表附註26。

### 結算日後事項

重大結算日後事項之詳情已列於財務報表附註34。

### 企業管治

本公司之企業管治原則及慣例詳情已詳載於本年報第12頁至第25頁之「企業管治報告」中。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為其本身之本公司董事進行證券交易之標準守則。全部董事經本公司作特定查詢後確認，彼等於年內均一直遵守標準守則所載之規定標準。

# REPORT OF THE DIRECTORS

## 董事會報告

### AUDIT COMMITTEE

In accordance with the requirements of the Listing Rules, the Group established an audit committee comprising three independent non-executive directors of the Company. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

### AUDITORS

Ernst & Young resigned as auditors of the Company and its subsidiaries on their own accord with effect from 17th December 2003. CCIF CPA Limited has been appointed to fill up the casual vacancy. The financial statements of the Company for the two years ended 31st December 2005 and 2004 were audited by CCIF CPA Limited.

A resolution for the re-appointment of CCIF CPA Limited as the auditors of the Company for the ensuing year will be proposed at the forthcoming annual general meeting.

On behalf of the board

**Chan Shi Yung**

*Executive Director & Chief Executive Officer*

Hong Kong, 18th April 2006

### 審核委員會

本集團已根據上市規則規定成立審核委員會，由本公司三名獨立非執行董事組成，其主要職責為審閱及監察本集團之財務申報程序及內部監控。

### 核數師

安永會計師事務所已自願辭任為本公司及其附屬公司之核數師，自二零零三年十二月十七日生效，而陳葉馮會計師事務所有限公司已獲委任以填補空缺。本公司截至二零零五年十二月三十一日及二零零四年十二月三十一日止年度之財務報表已經由陳葉馮會計師事務所有限公司審核。

本公司將於即將舉行之股東週年大會上提呈決議案，續聘陳葉馮會計師事務所有限公司為本公司來年之核數師。

代表董事會

行政總裁兼執行董事

**陳樹鎔**

香港，二零零六年四月十八日