

CSMC recognizes its responsibilities to shareholders and aims to protect and enhance shareholder value through solid corporate governance. Considerable efforts are devoted to identify and formalize best practices. The Group is committed to ensuring even greater transparency and quality of disclosures. Good corporate governance is not just a question of regulatory compliance but is ingrained into the Company's culture and emphasized at every level. The Board has been and will continue to uphold the appropriate standards of corporate governance within the Group, thereby ensuring that all business is conducted in an honest, ethical and responsible manner.

THE BOARD OF DIRECTORS (“THE BOARD”)

The Board's primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group, ensures effective management and provides proper supervision of the Group's business conduct.

The Board consists of nine directors, including the Chairman of the Board, three of whom are Executive Directors and members of management. There are six Non-Executive Directors, of whom three are Independent Directors. The Board benefits from the depth of experience and expertise from each Director. All Board members understand their duty to represent the interest of the shareholders and each member participates in meetings as required. The Board meets at least four times a year, and the Group ensures that Board members have access to all appropriate information and documents about the Group on a timely basis.

To assist in the execution of its responsibilities, the Board has established two Board Committees, namely the Audit Committee and Remuneration Committee to oversee particular aspects of the Group affairs. Independent Non-Executive Directors play a vital role in these committees to ensure that independent and objective views are expressed and considered.

華潤上華了解其對於股東需負的責任，故透過穩固的公司管治，以保障和提升股東價值。本集團積極尋求和制定最佳運作模式。本集團承諾確保公司的高度透明，並會對各事項作詳細披露。良好的公司管治並非純粹遵守規例，而是要深化到本公司的文化中，關注到每個層面。董事會一直及將繼續堅持在集團內有適當的公司管治標準，藉以確保能夠真誠和負責地經營業務。

董事會（「董事會」）

董事會的角色主要是保障和提升長期股東價值。董事會負責制定本集團的整體策略，確保有效管理及適當地監督本集團的業務。

董事會由九名董事組成，包括董事會主席，其中三名是執行董事及管理層成員。董事會包括了六名非執行董事，其中三名是獨立董事。董事會因各董事的豐富經驗和專業知識而受惠。全體董事會成員均明白到他們的職責是代表股東及每名參與會議的成員（如需要）的權益。董事會每年最少開四次會，本集團確保董事會成員能在適當時候獲悉有關本集團的適當資料和文件。

為了協助履行其職責，董事會成立了兩個董事委員會，即審核委員會及薪酬委員會，以監督本集團某特定方面的事務。獨立非執行董事在該等委員會中扮演重要角色，確保能夠發表和考慮獨立客觀的意見。

THE AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. The Audit Committee also oversees the audit process and performs other duties as assigned by the Board.

All the members of the Audit Committee are Non-Executive Directors, with a majority serving as Independent Directors. The Audit Committee members include:

Mrs. Kum Loon OON (Chairperson of the Audit Committee)

Mr. YU Yu

Mr. Ralph Sytze YBEMA

In 2004, the Audit Committee met four times. During these meetings, the Audit Committee reviewed the nature, scope and findings of internal and external audits. The Audit Committee has full access to the external auditor in these reviews when it sees fit.

The Audit Committee has reviewed the 2004 annual results, including the accounting principles and practices adopted by the Group.

審核委員會

審核委員會的職責，是提供獨立審閱本集團財務報告程序及內部監控及風險管理系統的有效性，以協助董事會保障本集團資產。審核委員會亦監察審核程序及履行董事會指派的其他職務。

審核委員會的全體成員為非執行董事，大部分為獨立董事。審核委員會的成員包括：

溫金鸞女士(審核委員會的主席)

俞宇先生

Ralph Sytze YBEMA先生

於二零零四年，審核委員會開了四次會。於該等會議上，審核委員會審核內部和外部核數的性質、範疇和結果。審核委員會在進行審核工作時，當其認為適當時可隨時聯絡外聘核數師。

審核委員會已審閱二零零四年度業績，包括本集團採用的會計原則及慣例。

THE REMUNERATION COMMITTEE

The primary aim of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for the employees of the Group. The Remuneration Committee comprises three members, the majority of whom are Independent Non-Executive Directors. They are:

Mr. ONG Thiam Kin (Chairman of the Remuneration Committee)
 Mr. Mark HSUE Chi Nan
 Mr. Ralph Sytze YBEMA

In 2004, the Remuneration Committee met four times. During these meetings, the Remuneration Committee reviewed existing and proposed compensation packages and bonus rewards for the staff as a whole. The Remuneration Committee has full access to the records and details of such packages, upon request.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board and management understand that proper internal controls not only facilitate the effectiveness and efficiency of operations, ensuring compliance with laws and regulations, but most importantly, they serve to minimize risk exposure for the Group. The Group is committed to the identification, monitoring and management of risks associated with its business activities. It has implemented practical and effective control systems, including:

- A clearly defined organizational structure;
- Budgeting and forecasting systems for performance measurement and monitoring of strategic business units;
- Regular weekly and monthly reviews of financial performance;
- A quarterly review of the Group's performance by the Audit Committee and the Board.

薪酬委員會

薪酬委員會的目的主要是就為本集團的僱員編製薪酬政策和酬金配套。薪酬委員會包括三名成員，他們絕大部分是獨立非執行董事。他們是：

王添根先生(薪酬委員會的主席)
 許奇楠先生
 Ralph Sytze YBEMA先生

於二零零四年，薪酬委員會開了四次會。於該等會議上，薪酬委員會檢討有關全體員工的現有及建議薪金配套和花紅獎賞。薪酬委員會於提出要求時，可隨時獲提供該等配套的記錄和詳情。

內部控制及風險管理

董事會及管理層人員明白到，適當的內部控制不只會促使有效和奏效的業務營運、確保遵守法律和規例，而最重要的是，盡量減低本集團所面對的風險。本集團承諾識別、監察和管理與其業務有關的風險。本集團實行了可行及有效的控制制度，包括：

- 清楚界定組織架構；
- 衡量表現的預算和預測制度，監察策略性業務單位；
- 每星期和每月定期審核財務表現；
- 審核委員會和董事會每季檢討本集團的表現。