

# CORPORATE GOVERNANCE



Adhering to its mission of “Building a first-class enterprise with a renowned China brand name”, the Group has been keeping in compliance with the progressing international standards of corporate governance. The disciplined Board practices corporate governance with great effectiveness, not only in terms of its commitment to boosting shareholder value and enhancing corporate competitiveness but also in increasing corporate transparency through a standardised management system and sound external communications geared to facilitate investors’ evaluations of the Group’s investments.

## Shareholders’ interests — Our Priority

Ever since its establishment, the Group has always presumed the safeguarding of investors’ interests as a core value of corporate governance. The Board is responsible for formulating the Group’s overall business development targets and strategies, assessing management results and monitoring performance of the management on a regular basis. The Board, with their knowledge and insight, has been leading the Group in a responsible and sincere manner that is beneficial to the Group’s long-term planning. Shareholder interests are of primary consideration in all decisions.

All independent, non-executive directors possess high professional management standards. Mr. Albert Thomas da Rosa, Jr. is a practising solicitor, whereas Dr. Hon Fong Ming is the Chairman and Chief Executive Officer of Dragoncom (Asia) Asset Management Limited. Aided by their professional management opinions, the Group’s development direction is clear, concise and has suitable safeguards in place for the interests of minority shareholders.

The Group has instituted an audit committee in accordance with the Code of Best Practice. The audit committee, comprising two independent, non-executive directors, is responsible for reviewing the completeness and accuracy of the Group’s financial statements, assessing the scope of work of both internal and external audits, and measuring the efficiency of the internal control system to ensure with certainty that TCL International publishes financial information for shareholders and investors that is accurate, reliable and timely.

## Committed to Enhancing Corporate Transparency

The management of TCL International actively pursues close ties with its shareholders and investors through various channels. The initiative Group has also gone above and beyond the requirements of the Listing Rules of the Main Board. Not only does the Group publish its interim and annual results in accordance with the Listing Rules, but it has voluntarily increased the number of results announcements from twice yearly to quarterly, in a move that enhances transparency by adhering to international standards.

In addition, in light of the growing importance of the handset business — due to its rapid growth and swift development of the PRC’s wireless telecommunications market as a whole — the Group has decided to include part of the operating and financial information of its joint venture in the wireless telecommunications business, TCL Mobile, in its results announcement for the scrutiny of investors and the public alike.



## Efforts in Investor Relations

TCL International has set up an investor relations department headed by an executive director. It is vested with the responsibility of maintaining close contact with investors by arranging regular meetings for the exchange of views with both investors and the media. In addition to enabling investors to further understand the direction of the Group's business developments, these meetings will likewise afford management an opportunity to better comprehend the opinions and expectations of third parties on its business developments. Our concerted efforts in this area have been lauded by the authoritative, international magazine, *Asiamoney*, which awarded TCL International as one of the PRC companies with the best overall investor relations and sound shareholder and investor communications. To further facilitate access to corporate information, the Group has also placed information such as business profiles, annual and interim reports and announcements, promotional materials and news flashes on its website, [www.tclhk.com](http://www.tclhk.com), allowing the public to keep abreast of the Group's latest developments through the Internet, anytime, anywhere.

Looking ahead, the Group will continue to enhance its internal governing mechanism by standardising its management system, increasing corporate transparency and safeguarding shareholders' interests. With capital appreciation a primary goal, shareholders' interests are in fact a base concern.

## Achievements in 2002

### Deloitte Touche Tohmatsu

- TCL Mobile ranked "No. 1 Fastest Growing Technology Company" in the first "Asia Pacific Technology Fast 500" Program

### "Asiamoney" International magazine

One of the recipients of :

- **"Company of Overall Best Management (China)"**
- **"Company of Overall Best Investor Relations (China)"**
- **"Company of Best Operation Efficiency (China)"**
- **"Company of Easy to Access Senior Management (China)"**
- **"Company of Best communication with shareholders and investors (China)".**