

公司 治 理 結 構

Corporate Governance

(一) 公司 治 理 情 況

公司嚴格按照《公司法》、《證券法》等有關法律、法規和中國證監會有關公司 治 理、規 範 運 作 的 文 件 精 神，以 及 香 港 交 易 所、上 海 證 券 交 易 所 上 市 規 則 的 要 求，不 斷 完 善 公 司 法 人 治 理 結 構，建 立 現 代 企 業 制 度，規 範 公 司 運 作。公 司 制 定 了 一 系 列 規 範 性 規 則、制 度，形 成 了 較 完 善 的 公 司 治 理 和 管 理 制 度 體 系。這 些 規 則 符 合《上 市 公 司 治 理 準 則》等 規 範 性 文 件 的 要 求。

公司按照2003年底巡檢的整改報告要求，對公司章程部分內容進行了修改，並於2004年5月12日獲股東周年大會通過。公司於2004年5月12日召開的股東周年大會選舉通過了第五屆董事會成員，新一屆董事會中獨立董事佔董事總數的三分之一，其中一名獨立董事擁有註冊會計師資格，符合中國證監會的有關規定。

A. General Corporate Governance

The Company strictly abides by the relevant laws and regulations including the Company Law, the Securities Law, documents in respect of corporate governance and proper operation issued by China Securities Regulatory Commission and the requirements of the Listing Rules of the Stock Exchange of Hong Kong and Shanghai Stock Exchange to continuously improve its corporate governance, set up a modern enterprise system and standardize the operation of the Company. With a series of normative regulations and system, the Company formed a more comprehensive system for corporate governance and management mechanism which was in compliance with the requirements of the Corporate Governance Standards for Listed Companies.

The Company had amended parts of the Articles of Association in accordance with the requirements of rectifying report of inspection of the Company by the end of 2003 and it was passed at the General Meeting on 12 May 2004. The Company elected the members of the fifth Board of Directors at the Annual General Meeting held on 12 May 2004. In the new Board of Directors, independent directors represented one-third of the total number of directors, one of which had the qualification of registered accountant in compliance with the relevant regulations of the China Securities and Regulatory Commission.



公司 治 理 結 構

Corporate Governance

(二) 獨立董事履行職責情況

1. 公司三名獨立董事按照有關法律、法規、《公司章程》的要求，認真履行職責。參與公司董事會討論決策有關重大事項；以其專業知識和經驗，就公司規範運作提出意見；對關聯交易是否符合交易所的豁免要求及公正、公平性進行審核，發表獨立意見；參與審核委員會工作，審核公司財務。獨立董事為維護公司整體利益，維護全體股東的合法權益，促進公司發展作出了積極貢獻。

2. 獨立董事參加董事會的出席情況

獨立董事姓名	本年應參加 董事會次數 Required	親自出席(次)	委託出席(次)	缺席(次)
Name of independent directors	attendances at the Board meetings	Attending in person (times)	Attending by proxy (times)	Absence (times)
萬 輝 Wan Hui	6	6	0	0
蔡良林 Cai Liang Lin	3	2	1	0
馬忠禮 Ma Chung Lai, Lawrence	3	3	0	0

B. Independent Non-executive Directors and their duties

(1) The Company has three Independent Non-executive Directors. The Independent Non-executive Directors diligently carried out their duties in accordance with the relevant laws, regulations and the Articles of Association of the Company. They participated in Board Meetings for the decision-making on material events. With their professional knowledge and experience, Independent Non-executive Directors advised the Company on its operation and management; provided independent opinion on the impartiality and fairness of connected transactions and on whether the Company has complied with the waiver conditions granted by SEHK in respect of its connected transactions; participated in the work of audit committee auditing the Company's financial statements. Independent Directors have contributed to protect the overall interests of the Company and the legal rights of shareholders as a whole and promote the development of the Company.

(2) The attendance of independent directors at Board meetings



公司 治 理 結 構

Corporate Governance

(二) 獨立董事履行職責情況 (續)

3. 獨立董事對公司有關事項提出異議的情況

報告期內，公司獨立董事未對公司本年度的董事會議案及其他非董事會議案事項提出異議。

4. 本公司已委任足夠數目的獨立非執行董事。自二零零四年五月十二日起委任獨立非執行董事三名，佔董事會董事人數的三分之一。

(三) 公司與控股股東在人員、資產、財務、機構、業務等方面的分開情況

1. 在人員方面：公司人員獨立於控股股東，公司擁有獨立的勞動、人事及工資管理，並制定了相應的管理制度。總經理、副總經理等高級管理人員在本公司領取薪酬，也未在控股股東單位擔任除董事以外的其他職務。

B. Independent Non-executive Directors and their duties (Continued)

- (3) The descending opinions of independent directors on the relevant matters of the Company

During the reporting period, the independent directors of the Company had not proposed any descending opinions to the resolutions of the Board of Directors and other meetings for the year.

- (4) The Company had appointed adequate number of independent non-executive directors. Three independent non-executive directors have been appointed since 12 May 2004, representing one-third of the total number of the directors in the Board of Directors.

C. Separation of the Company's staff, asset, finance, organization and business from its controlling shareholder

- (1) Staff: The staff of the Company are independent from the controlling shareholder. The Company has independent management in labour, personnel and wages, and established the relevant management systems. Senior management members such as general manager and deputy general manager receive salaries from the Company. Save for the position of director, they hold no other positions in the controlling shareholder.



公司治理結構

Corporate Governance

(三) 公司與控股股東在人員、資產、財務、機構、業務等方面的分開情況 (續)

2. 在資產方面：公司擁有獨立的供、產、銷系統、輔助生產系統和配套設施，商標、工業產權、非專利技術等無形資產由公司擁有。
3. 在財務方面：公司設立獨立的財會部門，建立了獨立的會計核算體系和財務管理制度，獨立在銀行開戶。
4. 在機構方面：公司設立了健全的組織機構體系，董事會、監事會及其它內部機構獨立運作，不存在與控股股東職能部門之間的從屬關係。
5. 在業務方面：公司具有獨立完整的業務及自主經營能力。公司與控股股東簽定了「非競爭及首先放棄收購權協議」，避免了同業競爭。

(四) 對高管人員的考評及激勵機制

報告期內，公司按高級管理人員的崗位責任、工作實績等進行綜合考評，並根據考評結果，實施相關獎勵。

C. Separation of the Company's staff, asset, finance, organization and business from its controlling shareholder, PEG: (continued)

- (2) Asset: The Company has its own supply, production and sale systems, ancillary production system and facilities. The Company holds intangible assets such as trademark ownership, industrial property right, and non-patent technology.
- (3) Finance: The Company has set up its own finance department and accounting system. The Company has its own bank accounts.
- (4) Organisation structure: The Company has set up a complete organisation system. The Board of Directors, Supervisory Committee and other internal departments operate and function independently of each other. No duplication of duties and departmental functions exists between the Company and the controlling shareholder.
- (5) Business scope: The Company has a highly independent and complete business and operation ability. The Company has signed a "Non-competition and First Right of Refusal Agreement" with its controlling shareholder in order to avoid competition within the same industry.

D. Review on the performance of the senior management and incentive systems

During the reporting period, the Company conducted a comprehensive review on basis of duties of respective positions and performance of the senior management. Such review was examined by employees' representatives. Incentive rewards are made according to the results of the review.

