



Corporate Governance

公司治理

CORPORATE GOVERNANCE

公司 治 理

The Company believes in the upholding of the principles and practices of good corporate governance as the best means to ensure effective internal control and safeguard the interests of shareholders, customers and staff. It is also crucial to the healthy development of the Company in the long term. The Company strictly abides by the laws and regulations of the jurisdiction where it operates, and observes the guidelines and rules issued by regulatory authorities. It also strives to follow the latest international and local corporate governance best practices.

CORPORATE GOVERNANCE FRAMEWORK

The Company's corporate governance structure is kept under constant review and reinforcement in order to maintain a high standard of operation.

Under the current governance structure, the role of the Board is to provide high-level guidance and oversight and is separate from that of the management, which is devoted to the day-to-day operation and administration of the Company. The Board provides strategic guidance for the Company and maintains effective oversight over the management.

To assist the Board in fulfilling its responsibilities and in accordance with best corporate governance practices, five standing committees have been established under the Board, namely, Executive Committee, Management Committee, Audit Committee, Nomination Committee and Remuneration Committee. Ad hoc committees will be set up to undertake special assignments as and when necessary.

The Board and all Board committees will assess their respective work procedure and effectiveness on a regular basis in accordance with their respective mandates. The Board delegates to the Management Committee the power to manage and administer the day-to-day affairs of the Company. At the same time, the Board gives clear guidance as to the powers of the Management Committee, in particular with respect to the circumstances under which the Management Committee shall report back to and obtain prior approval from the Board before making a decision which may involve substantial commitments on behalf of the Company. While the Chairman leads the Board, the Chief Executive Officer is the head of the Management Committee.

本公司深信，保持高標準的良好公司治理機制，對確保本公司有效的內部監控，保障股東、客戶、員工以及本公司的長遠利益重要。為此，本公司將嚴格遵守本公司營業所在地的法律法規及監管機構的各項規定和指引，並積極配合國際和當地有關公司治理最佳慣例的要求，積極推動和完善本公司的公司治理。

公司 治 理 架 構

本公司一直以來在不斷完善和保持高標準的公司治理架構。

現有的公司治理架構以董事會作出高層次指引和監控為主導，並與管理層的日常營運管理分開。董事會的角色是為本公司制定策略指引，並對管理層進行有效監控。

為協助董事會履行其職責，在充分考慮最佳公司治理常規的基礎上，董事會下設5個常設附屬委員會，包括：執行委員會、管理委員會、審核委員會、提名委員會及薪酬委員會。在適當及必要的時候，董事會還設立臨時附屬委員會負責專項工作，並向董事會或相關常設附屬委員會匯報。

董事會及各附屬委員會亦會根據其授權綱要的規定，定期評估及審查其工作程序及有效性。董事會給予行政總裁及管理委員會在日常管理及行政功能方面的適當授權，同時就管理層的權責給予清晰的指引，特別是在何種情況下管理委員會應向董事會匯報，以及在代表本公司作出有關訂立重大承諾的決定前應取得董事會批准等。董事會由董事長領導，管理委員會由行政總裁負責。

CORPORATE GOVERNANCE (continued)

公司治理 (續)

The roles of the Chairman and the Chief Executive Officer are separated and are performed by different individuals.

BOARD OF DIRECTORS

The Board currently comprises eleven Directors, of whom three are Independent Non-executive Directors, eight are Executive Directors. Independent Non-executive Directors comprise more than one-fourth of the Board and include Directors with appropriate financial management expertise. The Company is therefore in compliance with Rules 3.10(1) and (2) of the Listing Rules.

The Board confirms that save and except the Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with Articles 120 and 121 of the Company's Articles of Association, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules (valid as at 31st December 2004), throughout the year ended 31st December 2004.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members.

Certain directors also hold directorships in the Company's controlling shareholder and/or associated companies. Please refer to the section "Directors and Senior Management" for details.

Six board meetings were held during the year with an average attendance rate of 90%.

EXECUTIVE COMMITTEE

The Executive Committee currently comprises five members who are Executive Directors. The Committee is chaired by Mr. Wang Mingquan, the Chairman of the Board. The other committee members are Dr. Xu Bin, Dr. Zhou Liqun, Madam He Ling and Mr. Chen Shuang. The Committee assists the Board to fulfill its oversight role over the Company.

One committee meeting was held during the year with an attendance of 100%.

董事長和行政總裁有明確的分工；此外，本公司董事長及行政總裁亦分別由兩人擔任。

董事會

本公司董事會現時共有董事11名，其中獨立非執行董事3名，執行董事8名。獨立非執行董事的佔比超過董事會成員的四分之一，並包括了具備財務管理專長的獨立非執行董事，符合《上市規則》第3.10(1)及(2)條的規定。

董事會確認，除本公司之獨立非執行董事由於依據本公司組織章程細則第一百二十條及第一百二十一條規定於股東週年大會上輪值告退及連任規定而並無指定任期外，本公司於截至二零零四年十二月三十一日止年度內所有時間均有遵守於，二零零四年十二月三十一日仍然生效的上市規則附錄十四之最佳應用守則。

董事會成員之間並不存在任何關係，包括財務、業務、家屬或其他重大或相關的關係。

部份董事亦同時擔任本公司控股股東及／或聯營公司的董事職位。詳情請參閱「董事及高層管理人員」部份。

董事會於二零零四年內共召開6次會議，平均出席率達90%。

執行委員會

執行委員會現時由5位執行董事組成。主席由董事會主席王明權先生擔任，其他成員包括許斌博士、周立群博士、賀玲小姐及陳爽先生。執行委員會協助董事會對本公司及其附屬公司發揮其監控職能。

委員會於二零零四年內召開1次會議，出席率100%。

CORPORATE GOVERNANCE (continued)

公司治理 (續)

MANAGEMENT COMMITTEE

The Management Committee currently comprises four Executive Directors and an assistant general manager of the Company. The Committee is chaired by Dr. Zhou Liqun, the Chief Executive Officer. The other committee members are Madam He Ling, Mr. Chen Shuang, Mr. Lau Chung Man, Louis and Mr. Tsang Sui Cheong, Frederick. The Committee is responsible for the day-to-day management of the Company and execution of the Board's resolutions. It reports to the Board on a regular basis and may defer its decision to the Board in matters involving substantial commitments of the Company.

The Management Committee usually holds meetings on a fortnightly basis but it will also deal with matters on an ad-hoc basis as and when necessary.

Thirty-one committee meetings were held during the year with an average attendance rate of 95%.

AUDIT COMMITTEE

The Audit Committee currently comprises three members who are Independent Non-executive Directors. The Committee is chaired by Mr. Ng Ming Wah, Charles, an Independent Non-executive Director. The other committee members are Mr. Tung Wai, David and Mr. Seto Gin Chung, John. The Committee assists the Board to fulfill its supervisory role over the Company and its subsidiaries in, among others, the following areas:

- integrity of accounts and financial reporting process;
- internal control systems;
- effectiveness of internal audit function and performance appraisal of head of internal audit;
- appointment of external auditors and assessment of their qualifications, independence and performance;
- periodic review and annual audit of the Company's and the Group's accounts; and
- compliance with applicable accounting standards and legal and regulatory requirements on financial disclosures.

Five committee meetings were held during the year with an attendance rate of 100%.

管理委員會

管理委員會成員現時有4位執行董事及一位助理總經理。主席由行政總裁周立群博士擔任，其他成員包括賀玲女士、陳爽先生、劉仲文先生及曾瑞昌先生。管理委員會負責本公司日常經營決策並且負責執行董事會決策。管理委員會需要定期向董事會匯報，而遇到個別對本公司有重大約束事項會交由董事會審議。

管理委員會平均每兩星期召開會議一次，但亦會因應按特別需求而召開臨時會議。

管理委員會於二零零四年內共召開31次會議，平均出席率達95%。

審核委員會

審核委員會現時由3名獨立非執行董事組成。主席由獨立非執行董事吳明華先生擔任，其他成員包括董偉先生及司徒振中先生。審核委員會協助董事會對本公司及其附屬公司在以下方面（但不僅限於以下方面）實現監控職責：

- 賬目的真實性和財務報告方式；
- 內部控制系統；
- 內部審核職能的有效性及其內部審核主管的績效評估；
- 外部審計師的聘任及其資格、獨立性和工作表現的評估；
- 本公司及本集團賬目的定期審閱和年度審計；及
- 遵循有關會計準則及法律和監管規定中有關財務資訊披露的要求。

審核委員會按計劃於二零零四年內共召開5次會議，出席率100%。

CORPORATE GOVERNANCE (continued)

公司治理 (續)

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Group's audited financial statements for the year ended 31st December 2004.

NOMINATION COMMITTEE

The Nomination Committee currently comprises four members comprising two Executive Directors and two Independent Non-executive Directors. It is chaired by Mr. Wang Mingquan. The other committee members are Dr. Zhou Liqun, Mr. Tung Wai, David and Mr. Seto Gin Chung, John.

The Committee assists the Board to fulfill its supervisory role over the Company and its subsidiaries in the following areas:

- nomination of new directors to the Board; and
- assessment of the performance and skills of the Directors on a regular basis.

One committee meeting was held during the year with an attendance rate of 100%.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises four members comprising two Executive Directors and two Independent Non-executive Directors. It is chaired by Mr. Wang Mingquan. The other committee members are Dr. Zhou Liqun, Mr. Ng Ming Wah, Charles and Mr. Tung Wai, David.

The Committee assists the Board to fulfill its supervisory role over the Company and its subsidiaries in determine the following areas:

- determine overall remuneration policies of the Group;
- determine remuneration of Directors, Board committee members and Senior Management; and
- approve the share options to be granted to the Directors and senior executives of the Company.

審核委員會已與管理層一同回顧本集團所採用之會計政策及慣例，並討論審計、內部監控及財務申報事宜（包括審閱本集團現公佈之截至二零零四年十二月三十一日止年度之經審核財務報告書）。

提名委員會

提名委員會現時由2名執行董事及2名獨立非執行董事組成，主席由董事長王明權先生擔任，其他成員包括周立群博士、董偉先生及司徒振中先生。

該委員會負責協助董事會對本公司在以下方面實現監控職責：

- 提名新的董事人選加入董事會；及
- 負責定期評審董事表現及技能。

提名委員會於二零零四年內共召開2次會議，出席率100%。

薪酬委員會

薪酬委員會現時由2名執行董事及2名獨立非執行董事組成，主席由董事長王明權先生擔任，其他成員包括周立群博士、吳明華先生及董偉先生。

該委員會負責協助董事會對本公司及其附屬公司在以下方面實現監控職責：

- 厘訂本集團整體薪酬制度；
- 厘訂董事、各委員會委員和高級管理人員的薪酬；及
- 審批向董事及高級管理人員授出認股權證。

CORPORATE GOVERNANCE (continued)

公司治理 (續)

The Committee also reviewed the key performance indicators of the Group and senior management and the performance appraisal manual for senior management and recommended the same for approval by the Board.

Two committee meetings were held during the year with an attendance rate of 100%.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a "Code for Securities Transactions by Directors" which is no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in both the said Code and the Model Code throughout the year of 2004.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Board regards continuous communication with shareholders as an important part of its role. For such purpose, the Company's annual general meetings offer a valuable forum for the Board to communicate directly with shareholders who are encouraged to actively participate at such meetings.

The Chairmen of the Management Committee, the Audit Committee, members of the Nomination Committee and Remuneration Committee and representatives of PricewaterhouseCoopers were present at the Company's 2004 annual general meeting held on 28th May 2004 at the Ritz Carlton Hotel to respond to questions and comments raised by shareholders.

委員會亦於年內審議了本集團及高層管理人員的主要績效指標及高層管理人員績效考核辦法，並向董事會建議採納有關指標及考核辦法。

薪酬委員會於二零零四年內共召開2次會議，出席率100%。

董事的證券交易

本公司已採納實施了一套《董事進行證券交易守則》（「該守則」）。該守則的條款比上市規則內《上市公司董事證券交易的標準守則》（「標準守則」）中的強制性標準更為嚴格。經就此事專門徵詢所有董事，所有董事均已確認其於二零零四年度內嚴格遵守了該守則及標準守則有關條款的規定。

與股東的溝通及股東權利

董事會高度重視與股東持續保持對話，尤其是藉著股東週年大會與股東直接溝通及鼓勵他們的參與。

管理委員會主席、審核委員會主席、提名委員會成員及薪酬委員會成員，及羅兵咸永道會計師事務所の代表均出席了本公司於二零零四年五月二十八日於香港麗嘉酒店舉行的二零零四年度股東週年大會，以回應股東於會上提出的查詢。