

## Corporate Governance Report 企業管治報告

### 1. CORPORATE MANAGEMENT

#### Chairman and Managing director

The roles of the Chairman and the Managing Director are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is responsible for taking lead of effective running of the Board.

The Managing director is delegated with the authorities to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation.

### 2. BOARD RESPONSIBILITIES

The Board is responsible for the management of the business and affairs of the Group with the objective of enhancing shareholder value and prospects in the annual and interim reports, and of other price-sensitive announcements and other financial disclosures as required under the Listing Rules, and reports to regulators any information required to be disclosed pursuant to statutory requirement.

Management is responsible for the day-to-day operations of the Group under the leadership of the Managing Director. The Managing Director, working with the other executive directors and the executive management team of each business division, is responsible for managing the business of the Group, including implementation of strategies adopted by the Board and assuming full accountability to the Board for operations of the Group. All executive directors have made full and active contribution to the affairs of the Board and the Board always acts in the best interests of the Group.

### 1. 企業管治

#### 主席及董事總經理

主席及董事總經理之角色應分開，應由彼此間並無關係之兩名獨立人士擔任，以達到平衡權力及職權，致使工作職責不會集中於任何一人。

董事會主席負責領導及有效管理董事會。

董事總經理獲授予職權以有效方式管理本集團業務之各方面事務、執行重要策略、作出日常決定及協調整體業務運作。

### 2. 董事會之職責

董事會負責管理本集團之業務及事務，並在年報與中期報告、其他可能影響股份價格之公佈及上市規則規定須予披露之其他財務資料中，力求提升股東價值及前景，以及向監管機構報告法例規定須予披露之任何資料。

董事總經理帶領管理層負責本集團的日常營運。董事總經理連同其他執行董事及各業務部門之管理隊伍負責管理本集團的業務，包括實施董事會採納之政策，並就本集團營運向董事會負上全責。所有執行董事均全力及主動投入董事會事務，而董事會經常以符合本集團最佳利益之方式行事。

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### 3. REGULAR BOARD MEETINGS

The Board meets at least two times each year and has a formal schedule of matters referred to it for consideration and decision. Additional meetings may be convened as and when necessary. Notice of at least fourteen days is served for regular Board meetings and reasonable notice is given for all other Board meetings. Directors are consulted and provided with an opportunity to include matters into the agenda for discussion at the Board meetings. The Company Secretary assists the Chairman/Managing Director in preparing the agenda for each Board meeting and to ensure that applicable rules and regulations regarding the meetings are observed. The final agenda together with the Board papers are distributed to the Directors at least three days before the Board meetings.

### 4. BOARD COMMITTEES

Each Committee has its own defined scope of duties and terms of reference. The Company Secretary shall make available the terms of reference of the committees to any shareholder upon receipt of a request in writing from the shareholder. The members of a committee are empowered to make decisions on matters within the terms of reference of such committee. Copies of all signed minutes of the committees are sent to Directors for their record.

#### a. Audit Committee

The Audit Committee currently comprises three members, all of whom are independent non-executive directors, namely, Mr Chow Siu Ngor, Mr Yin Tat Man and Mr Tam Kam Biu William.

### 3. 定期董事會會議

董事會至少每年召開兩次會議，並有一個正式議程，並據此考慮及作出決定。於有需要時，亦會召開額外會議。就董事會定期會議而言，全體董事將獲發最少十四日通知。而就所有其他董事會會議而言，將會發出合理通知。董事獲諮詢及有機會於董事會會議中於議程上新增商議事項。公司秘書協助主席／董事總經理準備各董事會會議之議程，及確保符合有關會議之應用守則及規定。最後決定之議程連同董事會文件會於董事會會議最少三日前分派予董事。

### 4. 董事會委員會

每個委員會有其各自已定之職責範圍。公司秘書應按股東之書面要求回條，向股東提供委員會之職權範圍。委員會成員有權於委員會之職權範圍內就事項作出決定。委員會所有已簽署之會議記錄將交由董事作記錄。

#### a. 審核委員會

審核委員會現包括三位獨立非執行董事，即鄒小岳先生、袁達文先生及譚錦標先生。

The primary duties of the Audit Committee include review of the effectiveness of financial reporting processes and internal control systems of the Group, review of the Group's financial information and compliance, making recommendation to the Board on the appointment and removal of external auditors and assessing their independence and performance.

During the year, the works performed by Audit Committee were mainly set out below:

- reviewed the interim results for the period ended 30th September, 2005 and annual results for the ended 31st March, 2006 of the Group
- discussed with the management of the Company over the fairness and adequate accounting standards and policies of the Group in the preparation of the interim and annual financial statements
- reviewed the connected transactions entered into by the Group during the year
- reviewed and discussed with the external auditors over the financial reporting of the company
- reviewed, recommended and approved the retirement and re-appointment of external auditors
- reviewed, recommended and approved the remuneration of external auditors

審核委員會之主要職責為檢討本集團之財務報告程序及內部監控系統是否有效運作、檢討本集團之財務資料及其合符性、以及就委任及辭退外聘核數師、以及評估其獨立性及表現向董事提出推薦。

於本年度，審核委員會之工作主要載列如下：

- 檢討本集團截至二零零五年九月三十日止年度之中期業績及截至二零零六年三月三十一日止年度之年度業績
- 與本公司管理層就編撰中期及年度財務報表討論本集團會計標準及政策是否完備、公平及充足
- 檢討本集團於本年度所進行之關連交易
- 與外聘核數師審閱及討論本公司之財務申報
- 檢討、建議及批准外聘核數師退任及核數師之重選
- 檢討、建議及批准予外聘核數師之酬金

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### b. Remuneration Committee

The Remuneration Committee has been established by the Company on 20 December 2005. Accordance with the requirements of the Code on CGP. The Remuneration Committee currently comprises three members, one executive director, namely, Mr Chu Chik Ming Jack and two independent non-executive directors, namely, Mr Chow Siu Ngor and Mr Yin Tat Man.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for the overall remuneration of directors and management, including the policy of granting of share options to employees under the Company's share option scheme.

### c. Nomination Committee

The Company has not established any nomination committee and would not consider establishing a nomination committee owing to the small size of the Board. The appointment of a new director is a collective decision of the Board, taking into consideration the expertise, experience, integrity and commitment of that appointee to the relevant principal division, the Company and the Group.

During the year, a regular board meeting was held in relation to nomination of the Chairman and Independent Non-executive director of the Company.

Every newly appointed Director will receive a comprehensive, formal and tailored induction of the first occasion of his appointment.

### b. 薪酬委員會

薪酬委員會於二零零五年十二月二十日由本公司成立。按企業管治常規規定，薪酬委員現包括三位成員，執行董事朱植明先生及非執行董事鄒小岳先生及袁達文先生。

薪酬委員會之主要職責乃就本集團於董事及管理層之全體薪酬之政策及結構（包括於本公司購股權計劃下授出員工購股權予員工）向董事會提出建議。

### c. 提名委員會

本公司並無設立任何提名委員會，及因董事會規模細小，故將不考慮設立提名委員會。一名新董事之委任由董事會全體決定，當中考慮獲委任者之專業、經驗、操守及對本集團、本公司及相關主要分部之承擔。

於本年度內，就提名本公司主席及獨立非執行董事召開一之定期董事會會議。

各新委任董事將獲取一個全面、正式及兼特為其首度就職而設之就任須知。

## 5. DIRECTORS' AND AUDITORS' ACKNOWLEDGEMENT

All directors acknowledge their responsibility for preparing the accounts for the year ended 31st March, 2006.

Messrs Grant Thornton the auditors of the Company, acknowledge their reporting responsibilities in the auditors' report on the financial statements for the year ended 31st March, 2006.

## 6. AUDITORS' REMUNERATION

The Group's external auditors are Messrs Grant Thornton for the year ended 31st March, 2006, the fees paid/payable for audit service is HK\$680,000.

## 7. DIRECTORS' SECURITIES TRANSACTIONS

The company has adopted the Model Code set out in Appendix 10 of The Listing Rules as the code of conduct regarding securities transactions by the Directors (the "Model Code"). All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standards as set out in the Model Code during the year.

## 5. 董事及核數師之確認

全體董事確認其有責任為截至二零零六年三月三十一日止年度編製賬目。

本公司之核數師均富會計師行確認其有責任報告於核數師報告內截至二零零六年三月三十一日止年度之財務報表。

## 6. 核數師之酬金

本集團於截至二零零六年三月三十一日止年度之外聘核數師為均富會計師行，就其審計服務已付/應付款項為680,000港元。

## 7. 董事之證券交易

本公司已採納上市規則附錄十所載之標準守則（「標準守則」）為本公司有關董事進行證券交易之守則。經本公司作出具體查詢後，全體董事已確認，於整段回顧期內，彼等均全面遵守標準守則所定之標準。

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### 8. INTERNAL CONTROLS

The Board has overall responsibility for the Group's internal control Systems and through the Audit Committee, conducts reviews on the Effectiveness of these systems at least annually, covering all material controls, financial, operational and compliance controls and risk management functions. The process used in reviewing the effectiveness of these internal control systems includes discussion with management on risk areas identified by management. The purpose of the Company's internal control is to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so that the Company's objectives can be achieved.

### 9. COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to maintain a high level of transparency in communicating with shareholders. Extensive information of the Group's activities, business strategies and developments is provided, in additions to the Company's annual reports and interim reports, in our website "www.chinasolar-energy.com". Shareholders of the Company are encouraged to attend the annual general meeting of the Company which offer a valuable forum for dialogue and interaction with management. The Chairman of the Board and the chairman of the Audit Committee, or in their absence, another member of the relevant committee, are available at the annual general meeting to answer questions from shareholders on the business of the Group.

### 8. 內部監控

董事會整體負責本集團之內部監控系統，及透過本審核委員會，至少每年檢討此等系統是否有效，及至負責所有原料控制、財務、經營及合符程度監管及風險管理功能。其檢討此等內部監控系統之效益之程序包括與管理層檢討管理層訂明之風險範圍。本公司內部監控旨在提供合理，惟非絕對之保證，以防出現嚴重誤報或損失的情況，並管理，而非杜絕經營系統失誤之風險以達本公司之目標。

### 9. 與股東之溝通

本公司致力於與股東溝通時維持高透明度，並於本公司之網頁「www.chinasolar-energy.com」內提供本集團之活動、業務策略及發展之廣泛資料，及本公司之年度報告及中期報告。本公司鼓勵本公司之股東出席本公司之股東週年大會，該大會為與管理層進行對話與交流的有價值論壇。本董事會主席及審核委員會主席，或，於兩者皆缺席之情況下，相關委員會之成員可於股東週年大會回答股東就本集團業務之提問。