

Corporate Governance Report

公司管治報告

本集團一直致力維持一個優良可靠的公司管治架構，以就本集團管理方針和方向為本公司股東提供一個具透明度、公開和負責的架構。

本公司已採納自二零零五年一月一日起生效的企業管治常規守則（「該守則」）中必須執行的守則條文（「守則條文」）。為符合守則條文的強制規定，本公司已採納企業管治手則，當中載列董事職責、董事進行證券交易的標準守則、有關僱員進行證券交易的標準守則、審核、薪酬及提名委員會的功能及職權範圍、資料披露及與股東溝通等內容。本公司採納企業管治手則，已包含守則條文必須執行的條款。

年內，除守則條文第E.1.2條規定外，本公司一直遵守守則的所有強制規定。第E.1.2條規定董事會主席須出席本公司於二零零五年四月二十五日舉行的股東週年大會（「股東週年大會」），惟由於當時擔任的董事會主席於當日在港外公幹，故未能出席股東週年大會。副主席、審核、薪酬及提名委員會主席或成員以及首席財務官均有出席大會。本公司認為上述人士的出席足以(i)回答出席股東週年大會的股東之提問及(ii)與股東有效溝通。

The Group is dedicated to maintaining a good credible framework of corporate governance with a view to being transparent, open and accountable to our shareholders.

The Company has adopted the mandatory provisions of the Code on Corporate Governance Practices (the “Code”) after it came into effect in January, 2005. In line with the mandatory provisions of the Code, the Company has adopted a Corporate Governance Manual, the contents of which include, among others, directors’ duties, model code for directors’ transaction in securities, model code for securities transaction by relevant employees, the functions and terms of reference of the Audit, Remuneration and Nomination Committees, disclosure of information and communication with shareholders. All the mandatory provisions under the Code have been adopted and reflected in the Corporate Governance Manual.

During the year, the Company has complied with the mandatory provisions of the Code except for the provision E.1.2 of the Code, which provides that the Chairman of the Board should attend the annual general meeting (the “AGM”) of the Company which was held on 25th April, 2005. The then Chairman of the Board did not attend the AGM as he had other business engagement outside Hong Kong. The Deputy Chairman, the Chairman or members of the Audit, Remuneration and Nomination Committees and the Chief Financial Officer attended the AGM. The Company considers that their presence is sufficient for (i) answering questions from and (ii) effective communication with shareholders present at the AGM.

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成員

於本年報日期，董事會成員包括四名執事董事及三名獨立非執行董事，其中陸志昌先生擁有符合上市規則規定的合適專業會計經驗及知識。各董事的姓名及履歷載於本年報第25至27頁。

各獨立非執行董事已按照上市規則第3.13條規定的指引，確認彼等獨立於本公司，而本公司亦認為彼等屬獨立人士。各非執行董事（包括獨立非執行董事）的任期為三年，而根據本公司的公司細則，三分之一的董事須於每次股東週年大會輪流退任。董事會成員間的關係（包括財務、業務、家庭或其他重要／相關的關係）（如有）已於本年報披露。主席與首席執行官並無上述關係。

職能

董事會負責管理本公司及制訂本公司的發展方針。本集團的策略、年度預算、重大收購及出售、重大資本投資、股息政策、董事及高級管理人員任免、薪酬政策及其他主要營運及財務事項均必須經過董事會審批。本集團的日常運作則由本公司管理人員負責。

Composition

As at the date of this annual report, the Board consists of four Executive Directors and three Independent Non-executive Directors, one of whom namely Mr. Luk Chi Cheong has the appropriate professional accounting experience and expertise as required under the Listing Rules. The names and biographical details of each Director are disclosed on pages 25 to 27 of this Annual Report.

Each Independent Non-executive Director has, pursuant to the guidelines set out in rule 3.13 of the Listing Rules, confirmed he is independent of the Company and the Company also considers that they are independent. The term of office of each Non-executive Director, including Independent Non-executive Director, is for a period of three years subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the Bye-laws of the Company. The relationship (including financial, business, family or other material/relevant relationship), if any, among members of the Board are disclosed in this annual report. There is no such relationship between the Chairman and the Chief Executive Officer.

Functions

The Board is responsible both for how the Company is managed and the Company's direction. Approval of the Board is required for the strategy of the Group, yearly budget, major acquisition and disposal, major capital investment, dividend policy, appointment and retirement of Directors and senior management, remuneration policy and other major operational and financial matters. Day-to-day operations of the Group are the responsibility of the Company's management.

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董事會於二零零五年舉行五次定期會議。下表載列各董事的個別出席情況：

The Board has held five regular meetings during the year 2005. Details of individual attendance of Directors are set out in the table below:

		成員 Members									
			朱金坤 Ong	王添根 Thiam	王國平 Wang			陳朗 Chen	黃得勝 Wong	陸志昌 Luk	高秉強 Ko
日期 Date	主席 Chairman	宋林 Song Lin*	Zhu Jinkun	Kin	Guoping	俞宇 Yu Yu	俞敏 Yu Min*	Lang*	Tak Shing	Chi Cheong	Ping Keung
二零零五年三月五日	宋林										
05/03/2005	Song Lin	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
二零零五年三月十五日	朱金坤										
15/03/2005	Zhu Jinkun	X	✓	✓	✓	✓	X	X	✓	✓	✓
二零零五年七月十九日	朱金坤										
19/07/2005	Zhu Jinkun	X	✓	✓	X	✓	✓	X	✓	✓	✓
二零零五年八月十五日	朱金坤										
15/08/2005	Zhu Jinkun	X	✓	✓	✓	✓	X	X	✓	✓	✓
二零零五年十二月二十三日	朱金坤										
23/12/2005	Zhu Jinkun	X	✓	✓	X	✓	X	X	✓	✓	✓

備註（亦適用於下文各表）：

✓ = 出席

X = 缺席

* 宋林先生及俞敏先生於二零零六年二月二十八日辭任主席及執行董事。陳朗先生於二零零六年四月十一日辭任非執行董事。

Remarks (also applicable to the tables set out below) :

✓ = attended

X = didn't attend

* Mr. Song Lin and Mr. Yu Min resigned as Chairman and Executive Director on 28th February, 2006. Mr. Chen Lang resigned as Non-executive Director on 11th April, 2006.

主席及首席執行官

於本年報日期，董事會主席為朱金坤先生，而王國平先生為首席執行官。主席負責領導董事會，並與董事會共同制訂本公司的業務策略及長期目標，而首席執行官則負責執行董事會的決定，並負責本公司日常管理。

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

At the date of this annual report, the Chairman of the Board is Mr. Zhu Jinkun while Mr. Wang Guoping is the Chief Executive Officer. The Chairman provides leadership to the Board and formulate, together with the Board, the business strategies and long-term objectives of the Company whilst the Chief Executive Officer carries out the decisions made by the Board and is in charge of the Company's day-to-day management.

董事委員會

為加強董事會的職能以及提升其專業，董事會屬下設有三個委員會，分別為審核、薪酬及提名委員會，各自負責不同的職能。

BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are three Committees namely, the Audit, Remuneration and Nomination Committees under the Board, with each performing different functions.

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審核委員會

審核委員會由三名獨立非執行董事組成，主席為陸志昌先生。該委員會負責獨立客觀審閱本集團財務申報過程、內部監控與風險管理系統以及內部核數職務的效率，其職能大致可分為以下三大範疇：

- (a) 主要負責就核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款以及處理任何有關外聘核數師辭任或辭退該核數師的事項；
- (b) 審閱本公司全年與中期報告財務報表及賬目；及
- (c) 檢討本公司的財務監控、內部監控與風險管理系統。

以下為審核委員會於二零零五年及截至本年報日期的工作概要：

- 1. 審閱二零零四年的財務報表與業績公告以及二零零五年的半年度業績及全年業績，當中包括檢討本集團的財務及會計政策與常規；
- 2. 審閱本公司於二零零四年及二零零五年進行的持續關連交易；
- 3. 審核本公司內部審計部編撰的內部審計報告及其他相關審計報告；
- 4. 檢討本公司核數師的服務計劃；及
- 5. 檢討編撰二零零五年年報及業績公告的時間表。

Audit Committee

The Audit Committee comprises of three Independent Non-executive Directors, with Mr. Luk Chi Cheong as the Chairman. The Committee's role is to provide an independent and objective review of the effectiveness of the financial reporting process, internal control, risk management and internal audit of the Group. Its functions broadly fall into the following three main areas:

- (a) primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of external auditor, and to approve the remuneration and terms of engagement of external auditor and any matters related to the resignation or dismissal of external auditor;
- (b) review the financial statements of the Company's annual and half-year report and accounts; and
- (c) review the Company's financial controls, internal control and risk management systems.

Set out below is the summary of work done by the Audit Committee in year 2005 and up to the date of this Annual Report:

- 1. review of the financial statements and results announcement for year 2004, and those for the half-yearly results and yearly results for year 2005. These include the review of the Group's financial and accounting policies and practices;
- 2. review of the ongoing connected transactions of the Company conducted in year 2004 and year 2005;
- 3. review of internal audit reports and other related audit reports prepared by the Company's Internal Audit Division;
- 4. review of the service plan provided by the Company's Auditors; and
- 5. review of the time-table for preparation of results announcement and annual report of year 2005.

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審核委員會於年內舉行三次會議。下表載列各成員的個別出席情況：

The Audit Committee has held three meetings during the year. Details of individual attendance of its members are set out in the table below:

日期	Date	成員 Members		
		陸志昌 (主席) Luk Chi Cheong (Chairman)	黃得勝 Wong Tak Shing	高秉強 Ko Ping Keung
二零零五年三月十一日	11/03/2005	✓	✓	✓
二零零五年八月十二日	12/08/2005	✓	✓	X
二零零五年十一月十六日	16/11/2005	✓	✓	✓

薪酬委員會

薪酬委員會的主要職責為釐定及檢討執行董事及高級管理人員的薪酬及福利政策，包括但不限於花紅計劃、購股權計劃及其他長期獎勵計劃，以及各執行董事及高級管理人員的花紅分配及薪金調整。委員會成員包括黃得勝先生 (主席)、陸志昌先生、高秉強先生、朱金坤先生及王添根先生。

以下為薪酬委員會於二零零五年的工作概要：

1. 檢討執行董事及高級管理人員的現行薪酬及福利制度；
2. 批准本集團整體加薪；
3. 批准二零零四年花紅計劃及各執行董事與高級管理人員加薪；
4. 批准給予戴振華先生家屬成員的補償安排；及
5. 批准華潤矽威科技(上海)有限公司及無錫華潤晶芯半導體有限公司 (均為本公司的全資附屬公司) 的僱員獎勵計劃。

* 戴先生於二零零五年三月辭世前為董事。

Remuneration Committee

The role and main function of the Remuneration Committee is to determine and review the compensation and benefit policy of Executive Directors and senior management, including but not limited to bonus plan, share option scheme and other long term incentive plan, and bonus allocation and salary adjustment of each Executive Director and senior management. The members of the Committee are Mr. Wong Tak Shing (Chairman), Mr. Luk Chi Cheong, Mr. Ko Ping Keung, Mr. Zhu Jinkun and Mr. Ong Thiam Kin.

Set out below is the summary of work of the Remuneration Committee done in year 2005:

1. review of the current compensation and benefit system of Executive Directors and senior management;
2. approval of the general salary increase of the Group;
3. approval of bonus plan of 2004 and salary increase of each Executive Director and senior management;
4. approval of the compensation arrangement for Mr. Dai Zhenhua's family; and
5. approval of the incentive schemes for employees of CR PowTech (Shanghai) Limited and Wuxi CR Semiconductor Wafers & Chips Limited, both being wholly owned subsidiaries of the Company.

* Mr. Dai was a Director until his death in March, 2005.

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薪酬委員會於年內舉行四次會議。下表載列各成員的個別出席情況：

The Remuneration Committee has held four meetings during the year. Details of individual attendance of its members are set out in the table below:

		成員 Members				
		黃得勝 (主席) Wong Tak Shing (Chairman)	陸志昌 Luk Chi Cheong	高秉強 Ko Ping Keung	朱金坤 Zhu Jinkun	王添根 Ong Thiam Kin
日期	Date					
二零零五年三月十五日	15/03/2005	✓	✓	✓	✓	✓
二零零五年四月二十五日	25/04/2005	✓	✓	X	✓	✓
二零零五年十一月十六日	16/11/2005	✓	✓	✓	X	✓
二零零五年十二月二十三日	23/12/2005	✓	✓	✓	✓	✓

提名委員會

提名委員會主要負責檢討董事會架構及組成，並就推選個別提名人士出任董事向董事會提供推薦建議。委員會成員包括高秉強先生（主席）、黃得勝先生、陸志昌先生及朱金坤先生。

出任董事的條件包括(i)必須擁有豐富的半導體或空調機壓縮機業務或企業管理經驗；及(ii)必須有能力有效促成本公司目標。任何成員均可提名合適人選，交由提名委員會討論及審批，在經董事會考慮及認為合適後，批准該項提名。根據本公司的公司細則，獲選的董事須於下一屆股東大會或股東週年大會（如適用）由股東重新選舉。於二零零五年，提名委員會考慮揀選兩名分別來自半導體業及壓縮機業的合適候選人出任獨立非執行董事，旨在獲取來自該兩名行業專家的寶貴意見及見解。

Nomination Committee

The role and main function of the Nomination Committee is to review the structure and composition of the Board, and to make recommendation to the Board on the selection of individual nominated for directorships. The members of the Committee are Mr. Ko Ping Keung (Chairman), Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Mr. Zhu Jinkun.

The selection criteria for Directors are the person (i) must have substantial experience in either the semiconductor or air-conditioner compressor business or in corporate management and (ii) must be able to contribute effectively to the objectives of the Company. Any member may propose suitable candidates for directorship for discussion and approval by the Nomination Committee, after which the Board will consider and, if proper, approve such nomination. Directors thus selected is subject to re-election by shareholders of the Company in the next general meeting or next annual general meeting, as appropriate, according to the Bye-laws of the Company. In year 2005, the Nomination Committee had considered the selection of two suitable candidates to become Independent Non-executive Directors, one from the semiconductor industry and one from the compressor industry, aiming to gain valuable advice and insights from experts in each of the two industries.

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提名委員會年內舉行一次會議。下表載列各成員的個別出席情況：

The Nomination Committee has held one meeting during the year. Details of individual attendance of its members are set out in the table below:

日期	Date	成員 Members			
		高秉強 (主席) Ko Ping Keung (Chairman)	黃得勝 Wong Tak Shing	陸志昌 Luk Chi Cheong	朱金坤 Zhu Jinkun
二零零五年三月十五日	15/03/2005	✓	✓	✓	✓

審核、薪酬及提名委員會的職權範圍全文可於本公司網站 (www.crlogic.com.hk) 瀏覽。

Full text of the terms of reference of the Audit, Remuneration and Nomination Committee can be viewed in the Company's website: www.crlogic.com.hk.

內部監控

董事會負責整體維持有效的內部監控系統。年內，董事會透過本公司的內部審核部的工作結果檢討現行內部監控系統的效率。內部審核部定期進行內部審核及其他相關的審核，並向審核委員會報告所得結果，以供審核委員會考慮及提供內部監控的改良建議。年內，內部審核部亦曾對本公司各業務單位進行若干風險管理評估，並向董事會報告所得結果，以供董事會考慮，且作為日後進一步改進的基礎。

INTERNAL CONTROLS

The Board has the overall responsibility of maintaining an effective internal control system. During the year, the Board has reviewed the effectiveness of such internal control system in operation. This is achieved through works done by the Company's Internal Audit Division, which regularly carries out internal audit and other related audit reviews and reports its findings to the Audit Committee for their consideration and suggestion for improvement on better internal controls. During the year, the Internal Audit Division has also conducted some risk management assessment works with respect to each business unit of the Company. Its findings were reported to the Board for consideration and would form the basis for further improvement in the future.

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載董事進行證券交易之標準守則（「標準守則」）為本公司有關董事進行證券交易之行為守則。經向全體董事作出特定查詢後，本公司確認，全體董事均已遵守標準守則所規定的標準。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct in relation to Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.

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董事編撰財務報表的責任

董事承認編撰財務報表為彼等的責任。有關核數師於財務報表申報責任之報告書載於第67至68頁的核數師報告書。

核數師的薪酬

本集團於年內重新委任德勤•關黃陳方會計師行為獨立核數師。本公司核數師獲支付的酬金包括：

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities in preparing the Financial Statements. The Statement of the Auditors about their reporting responsibilities on the Financial Statements is set out in the Auditors' Report on pages 67 to 68.

AUDITORS' REMUNERATION

The Group re-appointed Deloitte Touche Tohmatsu as independent auditors during the year. The remuneration paid to the Company's Auditors includes:

服務	Service	酬金(港元) Remuneration (HK\$)	種類(審計／非審計) Type (Audit/Non-Audit)
二零零四年年度 審計報告	2004 Annual Audit Report	2,400,000	Audit 審計
二零零五年中期審閱	2005 Interim Review	430,000	Non-Audit 非審計
二零零四年稅務服務	2004 Tax Service	49,000	Non-Audit 非審計
二零零四年持續 關連交易審閱	2004 Review of on-going connected transactions	140,000	Non-Audit 非審計