

董事會工作報告

BOARD OF DIRECTORS' REPORT

(一) 董事會日常工作情況

1、 董事會會議情況及決議內容

- (1) 公司於2005年4月12日召開第四屆董事會第二十二次董事會會議，審議通過了年度報告決議案。決議公告刊登在2005年4月13日的《上海證券報》、《香港經濟日報》、《英文虎報》。
- (2) 公司於2005年4月26日召開第四屆董事會第二十三次董事會會議，審議通過了2005年一季度報告。
- (3) 公司於2005年6月8日召開第五屆董事會第一次會議，審議通過了第五屆董事會董事長、副董事長人選，董事會轄下的幾個委員會組成人員等議案。決議公告刊登在2005年6月9日的《上海證券報》、《香港經濟日報》、《英文虎報》。
- (4) 公司於2005年8月25日召開第五屆董事會第二次會議，審議通過了2005年半年度報告及摘要。
- (5) 公司於2005年10月25日召開第五屆董事會第三次會議，審議通過了2005年三季度報告。
- (6) 公司於2005年12月13日召開第五屆董事會第四次會議，聽取總經理匯報2005年度運營情況；討論「十一五」規劃；董事會決定配合控股股東完成股權分置改革工作。

(I) WORK OF THE BOARD OF DIRECTORS

1. Details of meetings and resolutions

- (1) The 22nd meeting of the fourth Board was convened on 12 April 2005, resolutions of which were published in Shanghai Securities News, Hong Kong Economic Times and The Standard on 13 April 2005.
- (2) The 23rd meeting of the fourth Board was convened on 26 April 2005, at which the 2005 First Quarterly Report was considered and approved.
- (3) The 1st meeting of the fifth Board was convened on 8 June 2005, at which candidates for the chairman, Vice-chairman and members of a member of committees under the Board were considered and approved. The resolutions were published in Shanghai Securities News, Hong Kong Economic Times and The Standard on 9 June 2005.
- (4) The 2nd meeting of the fifth Board was convened on 25 August 2005, at which the 2005 Interim Report and its summary were considered and approved.
- (5) The 3rd meeting of the fifth Board was convened on 25 October 2005, at which the 2005 Third Quarterly Report was considered and approved.
- (6) The 4th meeting of the fifth Board was convened on 13 December 2005. At the meeting, the General Manager made a report on the Company's operation in Year 2005 and the "Eleventh Five-Year" Plan was considered. The Board resolved to cooperate with the controlling shareholder in completion of the share segregation reform.



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(一) 董事會日常工作情況 (續)

2、 董事會對股東大會決議的執行情況

本公司於2005年6月8日召開了2004年股東周年大會，根據本次股東大會的決議，在報告期內董事會執行了如下事項：

- (1) 公司2004年股東周年大會審議通過了公司2004年度利潤分配方案，該利潤分配方案已實施。並分別於2005年6月9日和2005年7月19日在《上海證券報》、《香港經濟日報》、《英文虎報》上刊登了2004年度H股、A股派息公告，紅利發放日為2005年7月29日，每股稅前紅利金額為人民幣0.08元。
- (2) 對於公司2004年年度股東大會通過的其他事項，公司董事會已按股東大會的決議執行。

(II) WORK OF THE BOARD OF DIRECTORS (continued)

2. IMPLEMENTATION OF THE RESOLUTIONS OF THE ANNUAL GENERAL MEETING BY THE BOARD OF DIRECTORS

The 2004 Annual General Meeting of the Company was held on 8 June 2005. In accordance with resolutions passed at the meeting, the Board implemented the following matters during the reporting period:

- (1) The 2004 Profit Distribution Plan of the Company was considered and approved at the 2004 Annual General Meeting and was implemented. The announcements regarding dividend distribution for A Shares and H Shares were published in Shanghai Securities News, Hong Kong Economic Times and The Standard on 9 June 2005 and 19 July 2005 respectively. The date of dividend distribution was 29 July 2005 and the dividend before taxation was Rmb0.08 per share.
- (2) The Board has implemented all other matters passed at the Company's 2004 Annual General Meeting of in accordance with the passed resolutions.



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(三) 利潤分配或資本公積金轉增預案

公司2005年度按中國會計準則編制實現淨利潤人民幣4,879.04萬元，根據《公司章程》規定，提取法定盈餘公金人民幣503.29萬元，提取法定公益金人民幣503.29萬元，加年初未分配利潤人民幣13,494.48萬元，實際可供股東分配的利潤人民幣17,366.94萬元。根據公司2006年4月20日董事會決定，公司按已發行之股份42,200萬股（每股面值為人民幣1元計算）擬以每10股向全體股東派發現金紅利人民幣0.70元（含稅），共計派發人民幣2,954萬元，剩餘人民幣14,412.94萬元利潤留待以後年度分配。公司2005年度按香港公認會計原則編制實現淨利潤人民幣5,755.3萬元，提取法定公積金、法定公益金人民幣1,013.2萬元，加年初未分配利潤人民幣13,631.9萬元，實際可供股東分配的利潤人民幣18,374萬元。由於境內外可供分配的利潤均高於擬分派現金紅利人民幣2,954萬元，故符合利潤分配方案。2005年度公司不進行資本公積金轉增股本。此分配預案，將提請2005年年度股東大會審議批准。

(III) PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT SURPLUS RESERVES INTO SHARE CAPITAL

The Company realized a net profit of Rmb48,790,400 in 2005 in accordance with PRC Accounting Standards. According to the requirement of the Articles of Association, Rmb5,032,900 was appropriated to statutory surplus reserve, Rmb5,032,900 was appropriated to statutory public welfare fund, together with the undistributed profit of Rmb134,944,800 at the beginning of the year, the actual distributable profit for shareholders amounted to Rmb173,669,400. According to the decisions passed at the Board on 20 April 2006, the Company intended to declare a cash dividend of Rmb0.70 (inclusive of tax) every 10 shares for the 422,000,000 issued shares (Rmb1 par value of each share), totalling Rmb29,540,000. The remaining profit of Rmb144,129,400 is left to be distributed in later years. The Company realized a net profit for 2005 of Rmb57,553,000 prepared under HK GAAP. After appropriation of an amount of Rmb10,132,000 for statutory reserve, public welfare fund, reserve fund and enterprise expansion fund, together with the undistributed profit of Rmb136,319,000 at the beginning of the year, the actual distributable profit for shareholders amounted to Rmb183,740,000. As distributable profits prepared under PRC Accounting Standards and prepared under HK GAAP were both higher than the intended distribution of cash dividend of Rmb29,540,000, the requirement of the proposal for profit distribution was met. The Board did not recommend to transfer capital reserve to share capital for 2005. The distribution proposal will be proposed to the annual general meeting of 2005 for consideration and approval.

(四) 固定資產

本年度內固定資產之變動情況載列於根據香港公認會計準則編制之帳目及根據中國會計準則編制之會計報表附註。

(IV) FIXED ASSET

Movements in fixed assets for the year are set out in the accounts prepared under accounting principles generally accepted in Hong Kong ("HK GAAP") and the notes to financial statements prepared under PRC accounting standards.



(五) 在建工程

本年度內在建工程之資料及變動情況載列於根據香港公認會計準則編制之帳目及根據中國會計準則編制之會計報表附註。

(六) 附屬公司投資

有關附屬公司之資料載列於根據香港公認會計準則編制之帳目。

(七) 聯營公司權益

有關聯營公司之資料載列於根據香港公認會計準則編制之帳目。

(八) 其他資產

有關其他資產之資料載列於根據香港公認會計準則編制之帳目。

(九) 儲備

本年度內儲備之變動情況載列於根據香港公認會計準則編制之帳目及根據中國會計準則編制之會計報表附註。

(十) 銀行貸款

於2005年12月31日之銀行貸款情況載列於根據中國會計準則編制之會計報表附註。

(十一) 公司退休金計畫

本公司按照《國務院關於企業職工養老保險制度改革的決定》的有關規定，需繳付中國政府相等於工資總額的20%的費用，作為員工基本養老保險金。2005年度基本養老保險金總支出人民幣2,147.88萬元。除上述費用外，本公司並無其他有關退休金的承擔或責任。

(V) CONSTRUCTION IN PROGRESS

Particulars and movements in construction-in-progress for the year are set out in the accounts prepared under HK GAAP and the notes to the financial statements prepared under PRC accounting standards.

(VI) INVESTMENTS IN SUBSIDIARIES

Particulars of subsidiaries are set out in the accounts prepared under HK GAAP.

(VII) INTERESTS IN ASSOCIATES

Particulars of associates are set out in the accounts prepared under HK GAAP.

(VIII) OTHER ASSETS

Particulars of other assets are set out in the accounts prepared under HK GAAP.

(IX) RESERVES

Movements in reserves for the year are set out in the accounts prepared under HK GAAP and in the notes to the financial statements prepared under PRC accounting standards.

(X) BANK LOANS

Bank loans as at 31 December 2005 are set out in notes to the financial statements prepared under PRC Accounting Standards.

(XI) THE COMPANY'S PENSION PLANS

In accordance with the relevant regulations to the State Council's Decisions Regarding Reform of the Employee Retirement Insurance Scheme, the Company is required to pay to the Chinese government an amount equivalent to 20% of total amount of salary as the basic contribution to the Employee Retirement Insurance Scheme. In 2005, a total amount of Rmb21,478,800 was contributed to the Employee Retirement Insurance Scheme. Apart from the said contribution, the Company has no other commitments or liabilities related to pensions.

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(十二) 關聯交易

- (1) 本年度之關聯交易詳情載列於根據香港公認會計準則編制之帳目附註及根據中國會計準則編制之會計報表附註。
- (2) 各獨立非執行董事確認所有關聯交易是按一般商業條款在本公司有關成員公司之日常及一般業務中進行，有關條款均為正常商業條款或不差於提供予第三者之優惠條款，並對本公司股東而言乃屬公平及合理。

(十三) 企業管治常規守則

本公司於報告期內一直遵守香港聯合交易所有限公司證券上市規則附錄十四之《企業管治常規守則》。對於證券上市規則第2.24條規定聘任一名具有香港會計師公會資深會員或會員資格的會計師，本公司尚未選擇及任命一名合適人選。

(十四) 員工住房

本公司2005年年度未出售公有住房給予員工。公司按照國家規定為現有員工按上年月平均工資總額的10%繳納住房公積金，對公司的業績並無重大影響。根據北京市人民政府房改辦公室，北京市財政局，北京市國土資源和房屋管理局，北京市物價局(2000)京房改辦字第080號《關於北京市提高公有住房租金，增發補貼有關問題的通知》的精神，本公司結合實際情況，對公司員工自2000年4月1日發放每月人民幣70至人民幣80元住房租金補貼。

(XII) CONNECTED TRANSACTIONS

- (1) Please refer to the notes to the accounts prepared under HK GAAP and the notes to the financial statements prepared under PRC accounting standards for the particulars of connected transactions during the year.
- (2) Each independent non-executive director confirmed that all the connected transactions were entered into on normal commercial terms in ordinary and usual course of business of the Group and its member companies. All the terms were either normal business terms or were not less favourable than the preferential treatments offered to the third parties, and were fair and reasonable as far as the Company's shareholders were concerned.

(XIII) CODE ON CORPORATE GOVERNANCE PRACTICES

During the reporting period, the Company was in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company has not identified and appointed an appropriate candidate of qualified accountant being a fellow or associate member of the Hong Kong Institute of Certified Public Accountants as required by Rule 2.24 of the Listing Rules.

(XIV) STAFF QUARTERS

The Company didn't sell any public housing flats to staff during the year of 2005. In accordance with the policy of the State, the Company contributed to the public housing fund on the basis of 10% of the average monthly salary of the existing employees for the previous year, which did not had any significant impact on the Company's results. In accordance with the spirit of the "(2000) Jing Fang Gai Ban, Zi Document No. 080" Notice in relation to issues of the Increase in Beijings Public Housing Rents and Allowances issued by the Housing Reform Office of Beijing Municipal Government, Beijing Financial Bureau and Commodity Price Bureau of Beijing, Beijing State Land Resources Bureau, Housing Administration Bureau, and integrating with the Company's actual situation, the Company provided a housing allowance of Rmb70 to Rmb80 per month to its staff starting from 1 April 2000 onwards.



(十五) 關於員工基本醫療保險

本公司於2001年10月起執行《北京市基本醫療保險規定》，並依此「規定」實施員工基本醫療保險。原公司員工和退休員工的醫療費用分別在員工福利費和管理費用列支，執行新規定後，公司按照全部員工繳費工資基數之和的9%繳納基本醫療保險費（其中4%由成本費用支出，5%由員工福利費支出）；按照全部員工繳費工資基數之和的1%繳納大額醫療費用互助資金，由員工福利費支出；按照員工工資總額4%從成本費用中提取補充醫療保險留在企業，用於符合《北京市基本醫療保險規定》中關於補充醫療保險報銷條件的醫療費用的支出。員工福利費的計提標準不變，仍為在職員工工資總額的14%。2005年仍執行該規定。

(XV) EMPLOYEE'S BASIC MEDICAL INSURANCE

Since October 2001, the Company has carried out Provisions regarding Beijing Basic Medical Insurance, and implemented employee's basic medical insurance system in accordance with the provisions. Medical expenses for former and retired employees are paid out of staff welfare funds and administrative expenses separately. After carrying out new provisions, the Company is required to pay basic medical insurance calculated as 9% of employees' total wages, in which 4% is paid out of cost expense and 5% is paid out of staff welfare fund; Material medical expenses for mutual help, calculating on the basis of 1% of employees' total wages, shall be paid out of the welfare fund; Provision of supplementary medical insurance shall be prepared on the basis of 4% of employees' total wages for the medical expenses in accordance with supplementary qualifications on reimbursement of medical insurance set out in Provisions regarding Beijing Basic Medical Insurance. No change has been made to the provision standard of employees' welfare fund, which still calculated as 14% of total wages of existing employees. Such provision was still carried out in 2005.

(十六) 股東周年大會

董事會擬定股東周年大會召開之日為2006年6月27日。

(XVI) ANNUAL GENERAL MEETING

The Board of Directors has fixed the date of Annual General Meeting on 27 June 2006.

(十七) 公司2005年度選定的信息披露報紙為《上海證券報》、《香港經濟日報》、《英文虎報》。

(XVII) THE COMPANY DESIGNATED THE FOLLOWING NEWSPAPERS FOR DISCLOSURE OF INFORMATION FOR 2005: SHANGHAI SECURITIES NEWS, HONG KONG ECONOMIC TIMES AND THE STANDARD.