

企業 管治報告

CORPORATE GOVERNANCE REPORT

提高企業管治水平以提升企業價值
Enhance corporate governance
standards to increase enterprise value





企業管治

本集團一貫的目標是努力提升企業價值，以淨利潤的良好增長和現金流量的長期穩定為核心，確保本集團的長期持續發展，為股東帶來良好的回報。本集團矢志提高企業管治水平，並全力增加透明度。通過持續為董事與員工提供培訓與外聘專業顧問，申洲國際將不斷提升企業管治素質，進而達致以上的目標。

於二零零五年十月九日，董事會通過並採納本身的企業管治守則。此乃涵蓋香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「企業管治守則」）所載的全部條文，以及大部份的建議最佳常規守則。

本公司由二零零五年十一月二十四日（即上市日期）至二零零五年十二月三十一日止，已遵從上市規則所載企業管治守則內的所有條文。

董事會

董事會負責公司的管治工作，須就股東所委託的資產負責。董事會的主要職責包括制訂本集團之業務策略方針、設定管理層目標、監督其表現及評估管理策略的有效性。

本集團董事會現由五名執行董事及三名獨立非執行董事組成。董事之個人履歷及若干董事之間的親屬關係均列載於第38頁至43頁之董事及高級管理層履歷一節。董事之間概無其他重大財務、業務或相關關係。本集團致力通過董事會來提升公司效率及利潤水平。全體董事深知彼等共同及個別對股東所負之責任，並勤勉盡職，為本公司之理想業績及股東之最大回報作出貢獻。

獨立非執行董事所佔比率超過董事會成員的三分之一。這些獨立非執行董事皆為優秀的行政管理人員或紡織業專家，具備多方面專業知識，可為本集團提供足夠的制約和平衡，以保障股東及本集團的整體利益。獨立非執行董事的角色是向董事會提供獨立及客觀的意見，以供董事會作出考慮及決定。全體獨立非執行董事已提交確認符合獨立性的確認書，並符合載於上市規則內獨立性指引的規定。

Corporate Governance

The Group's stated objective is to achieve sound return for shareholders by enhancing enterprise value with solid growth in net profit and consistently stable cash flow and assuring the Group's long-term, sustainable development. The Group is committed to raising its corporate governance standards and increasing the transparency of its operations. Such objective will be achieved by constantly improving the quality of corporate governance of Shenzhou International through continuing training for Directors as well as staff and the appointment of external professional advisers.

On 9 October 2005, the Board adopted its own Code of Corporate Governance, which covered all the code provisions and most of the recommended best practices of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company had complied with all the code provisions of the CG Code as set out in the Listing Rules during the period from 24 November 2005 (being the date of listing) to 31 December 2005.

The Board

The Board is responsible for governing the Company and managing assets entrusted by the shareholders. The principal responsibilities of the Board include the formulation of the Group's business strategies and management objectives, supervision of the management and evaluation of the effectiveness of management strategies.

The Board of the Group currently comprises five Executive Directors and three Independent Non-executive Directors, whose biographical details and family relationships among certain Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 38 to 43. There is no other material financial, business or relevant relationships among the Directors. The Group endeavours to enhance corporate efficiency and profitability through the Board. The Directors recognise their collective and individual responsibility to the shareholders and perform their duties diligently to contribute to positive results for the Company and maximize returns for shareholders.

Independent Non-executive Directors accounted for more than one third of the members of the Board. The Independent Non-executive Directors are outstanding executives or experts in the textile industry who bring with them expertise in different areas. They provide adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. The role of the Independent Non-executive Directors is to provide independent and objective opinions to the Board for its consideration and decisions. All independent Non-executive Directors have submitted written confirmation of their independence and compliance with the independence guidelines as set out in the Listing Rules.

董事會主席與總經理之職責彼此分開。董事會主席負責管理董事會及本集團重大經營決策，而總經理負責管理本集團業務之日常運作，職責劃分明確。

所有董事須於首次獲委任時向董事會申報彼在其他公司或機構擔任董事或其他職務身份，有關利益申報每年更新一次。倘董事會在討論任何動議或交易時認為董事在當中存在利益衝突，該董事須申報利益及放棄投票。

二零零五年度內，在本集團申請上市期間，本集團所聘請之保薦人及律師曾為全體董事進行了有關企業管治方面的知識培訓，加強了全體董事對企業管治的理解。同時，年內全體董事也接受了進行證券交易的標準守則方面的培訓。本公司將持續推進全體董事的培訓工作，使各位董事能適應不斷提高的規範化要求。同時，通過本公司證券事業部建立並運行的「證券資訊」平臺，使各位董事及時瞭解證券市場方面相關資訊，熟悉證券市場規則，以不斷提升企業管治水平。

本公司自二零零五年十一月在聯交所主版上市。董事會截止二零零五年十二月三十一日止年度內共召開兩次董事會會議，全部董事會會議乃於上市前召開。除了黃關林先生臨時因重要業務洽談出國而缺席第一次會議外全體董事均有出席此兩次會議。

董事會將每年召開至少四次會議，並於有需要時召開額外會議，以釐定整體策略方針及目標，及批准中期及年度業績及其他重大事宜。

董事會已設立若干委員會，以監管本集團各項管理及行政職能，其中包括：

- 審核委員會；
- 薪酬委員會；及
- 提名委員會。

各委員會定期向董事會報告，以處理重大問題及發現，並就董事會決策提出寶貴之推薦意見。有關該等委員會之詳情載於下文。

The Chairman of the Board and the General Manager have separate and distinctive roles. The Chairman of the Board is responsible for the overall management of the Board and significant operational decisions of the Group, while the General Manager is responsible for managing the day-to-day operations of the Group's business.

All Directors are required to declare to the Board upon their first appointment of the directorships or other positions they are concurrently holding at other companies or organizations. These interests are updated on an annual basis. A Director should declare his/her interests and abstain from voting in respect of any proposal or transaction discussed by the Board in which he/she is deemed by the Board to have a conflicting interest.

During the period in which the Group's applying for listing in 2005, the Sponsor and lawyers appointed by the Group conducted training for the Directors on corporate governance in order to enhance their understanding of the subject. The Directors also received training on the model code for securities transaction. The Company will continue to provide ongoing training for the Directors to ensure that they would be able to comply with stringent regulatory requirements. The Company's Securities Department has also developed a "securities information" platform that allows Directors to have timely information of the securities market and familiarize themselves with the rules of the securities market, with a view to ongoing enhancement of corporate governance standards.

The Company was listed on the Main Board of the Stock Exchange since November 2005. Two full board meetings were held for the year ended 31 December 2005, which were held prior to the listing. The two board meetings were attended by all directors, except for Mr. Huang Guanlin who was absent from the first meeting as he went abroad on business.

Board meetings will be held at least four times a year with additional meetings convened as and when necessary to determine overall strategic directions and objectives and approve interim and annual results and other significant matters.

Certain committees have been set up under the Board to supervise the management and administrative functions of the Group. They include:

- The Audit Committee;
- The Remuneration Committee; and
- The Nomination Committee.

The committees report to the Board on a regular basis to discuss significant issues and findings and to make recommendations to the Board for making decisions. Details of the Committees are set out in the following.

審核委員會

根據董事會於二零零五年十月九日通過的一項決議案，本公司遵照上市規則第3.21至3.23條成立審核委員會。審核委員會共有三名獨立非執行董事，分別為戴祥波先生、錢鋒先生及宗平生先生。戴先生是審核委員會的主席，而其在會計、審計及財務方面的專業知識有助他領導審核委員會的運作。

審核委員會的主要責任是就本集團的財務及會計慣例及內部監控作出關鍵而客觀的檢討，包括考慮法定審核的性質及範圍、審閱本集團的中期及全年賬目以及檢討本集團會計及財務監控的完整性及有效性。

審核委員會的職權範圍與香港會計師公會頒佈的《審核委員會有效運作指引》所載的建議及上市規則企業管治守則條文一致。

審核委員會的職權範圍已由董事會通過，並已登載於本公司網站。

自本公司於二零零五年十一月在聯交所主板上市後，截至二零零五年十二月三十一日止年度並無召開任何會議。

審核委員會每年會召開正式開會最少兩次。在二零零六年四月份已召開一次會議，聯同外聘核數師及本集團財務總監，討論核數、內部監控及財務報表等事宜（包括審閱截止二零零五年十二月三十一日止年度之經審核財務報表）。全體審核委員會成員均有出席。

薪酬委員會

根據董事會於二零零五年十月九日通過的一項決議案，本公司遵照上市規則企業管治守則成立薪酬委員會。薪酬委員會共有一名執行董事與二名獨立非執行董事，分別為馬仁和先生、錢鋒先生及戴祥波先生。馬仁和先生是薪酬委員會的主席。

Audit Committee

Pursuant to the Board resolution passed on 9 October 2005, the Company has established an Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Dai Xiangbo, Mr. Qian Feng and Mr. Zong Pingsheng. The chairman of the Audit Committee is Mr. Dai, whose expertise in accounting, auditing and finance enables him to provide leadership for the committee.

The principal responsibilities of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices and internal controls. These include determining of the nature and scope of statutory audit, reviewing the Group's interim and annual accounts and assessing the completeness and effectiveness of the Group's accounting and financial controls.

The terms of reference of the Audit Committee are consistent with the recommendations as set out in "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the provisions of the CG Code under the Listing Rules.

The terms of reference of the Audit Committee as approved by the Board are published on the Company's website.

Since the Company was listed on the Main Board of the Stock Exchange in November 2005, no meeting was held by the Audit Committee for the year ended 31 December 2005.

The Audit Committee shall meet at least twice a year. A meeting was held on April 2006 together with the external auditors of the Company and the Financial Controller, to discuss auditing, internal control and financial report matters which included the review of the audited financial statements for the year ended 31 December 2005. All the Audit Committee members attended the meeting.

Remuneration Committee

Pursuant to the Board resolution passed on 9 October 2005, the Company has established a Remuneration Committee in compliance with the CG Code of the Listing Rules. The Remuneration Committee comprises one Executive Director and two Independent Non-executive Directors, namely Mr. Ma Renhe, Mr. Qian Feng and Mr. Dai Xiangbo, and Mr. Ma Renhe is the Chairman of the Remuneration Committee.

薪酬委員會的主要責任是就董事及高級管理人員的整體薪酬政策及架構，及就設立正規而具透明度的程式制訂此等薪酬政策而向董事會提出建議。並無董事參與有關其本身薪酬的討論。有關每位董事的袍金詳列於本財務報表附註27。

薪酬委員會在二零零六年四月召開了一次會議，全體薪酬委員會均有出席。

薪酬委員會的職權範圍已由董事會通過，並已登載於本公司網站。

提名委員會

本公司已根據二零零五年十月九日通過的一項決議案成立提名委員會。提名委員會共有一名執行董事與二名獨立非執行董事，分別為黃關林先生、宗平生先生及戴祥波先生。黃關林先生是提名委員會的主席。

提名委員會的主要責任是物色具備合適資格可擔任董事的人士，挑選提名有關人士出任董事及就此向董事會提供意見，並定期檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何擬作出的變動向董事會提出建議。

提名委員會在二零零六年四月召開了一次會議，全體提名委員會均有出席。

提名委員會的職權範圍已由董事會通過，並已登載於本公司網站。

內部監控

董事會明白本身有責任維持一個適當之內部監控系統，以及確保能盡早向股東及公眾人士如實報告本公司之業務狀況。內部監控系統旨在提高營運效益與效率、確保資產不會被濫用及未經授權處理、維持恰當的會計紀錄及真實公平的財務報告、並同時遵守相關的法律及規定。它會就是否存在重大錯誤陳述或損失，作出合理但不絕對的確定，並會管理而非消除與其業務活動有關的風險。

The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management and on the establishment of a formal and transparent process for approving such remuneration policy. No director will take part in any discussion on his or her own remuneration. The details of their fees are set out in note 27 to the financial statements.

A meeting was held in April 2006. All the Remuneration Committee members attended the meeting.

The terms of reference of the Remuneration Committee as approved by the Board are published on the Company's website.

Nomination Committee

The Company passed a Board resolution on 9 October 2005 to establish a Nomination Committee. The Nomination Committee comprises one Executive Director and two Independent Non-executive Directors, namely Mr. Huang Guanlin, Mr. Zong Pingsheng and Mr. Dai Xiangbo, and Mr. Huang Guanlin is the Chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to identify candidates with suitable qualifications as directors, select and nominate such candidates for directorship and provide recommendations to the Board; review the structure, headcount and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board for any proposed changes.

A meeting was held in April 2006. All the Nomination Committee members attended the meeting.

The terms of reference of the Nomination Committee as approved by the Board are published on the Company's website.

Internal Control

The Board recognises its responsibility to maintain an appropriate internal control system and to ensure accurate reporting of the Company's state of affairs to shareholders and the public in a timely manner. The internal control system intends to enhance operating effectiveness and efficiency, to safeguard assets against misappropriation and unauthorized disposition, to maintain appropriate accounting records and financial reports that are true and fair, and to ensure compliance with relevant laws and regulations. It aim at providing a reasonable, but not absolute, assurance against material misstatement or loss and managing rather than eliminating operational risks.

本公司致力建立完善而有效之內部監控系統，以保護本公司資產及股東投資。財務總監聯同審核委員會及外聘核數師定期檢討本集團之財務及營運事務，以確保適當地實施合規控制及風險管理措施及程式。管理層及外聘核數師已聯手努力改善本集團內部監控系統及程式。

董事輪席告退

根據本公司之組織章程，任何獲董事會委任為新增董事或委任以填補臨時空缺之董事之任期僅直至下屆股東週年大會為止，惟彼可由股東再度委任。此外，所有董事均須最少每隔三年於股東週年大會上輪席告退，並由股東重選。所有獨立非執行董事之特定任期均不超過三年。

董事的證券交易

本集團已採納上市規則所載之《上市公司董事遵行證券交易的標準守則》作為本公司有關董事證券交易行為守則（「證券交易守則」）。公司各董事於獲委任時均獲發一份證券交易守則，其後每年發出兩次提示，分別在通過本公司中期業績及全年業績的董事會會議前一個月，提醒董事不得在公佈業績前買賣本公司證券以及所有交易必須按證券交易守則進行。經就此事作特別徵詢，所有董事均已確認彼等於二零零五年十一月二十四日（即上市日期）至二零零五年十二月三十一日止嚴格遵守證券交易守則有關的規定。

高級管理層因其在本公司所擔任的職務可能擁有未公佈股價敏感資料，已被要求遵守證券交易守則的規定。

The Company is committed to establishing a comprehensive and effective internal control system to safeguard the Company's assets and shareholders' investments. The Financial Controller reviews with the Audit Committee and the external auditors the financial and operational issues of the Group on a regular basis, ensuring that compliance controls and risk management measures and programs have been appropriately implemented. The management and the external auditors have worked together to improve the internal control system and programs of the Group.

Retirement of Directors by Rotation

In accordance with the Company's Articles of Association, any Directors appointed by the Board as additional Directors and to fill casual vacancies shall hold office until the next Annual General Meeting, and are eligible for re-election by the shareholders. In addition, all Directors are required to retire by rotation at least once every three years at the Annual General Meeting, subject to re-election by the shareholders. All Independent Non-executive Director are appointed for specific terms for not more than three years.

Securities Transactions of Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules as the Company's code of conduct regarding Directors securities transactions ("Securities Trading Code"). A copy of the Securities Trading Code is provided to all Directors on their appointment. Reminder will be issued twice a year, being one month prior to the respective Board meetings approving the Company's interim results and annual results, reminding the Directors that they are not allowed to trade on the Company's securities prior to the announcement of its results and that all transactions must comply with the Securities Trading Code. Upon specific enquiries, all Directors confirmed their strictly compliance with the relevant provisions of the Securities Trading Code during the period from 24 November 2005 (being the date of listing) to 31 December 2005.

Senior Management who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Securities Trading Code.

外聘核數師

本集團之獨立外聘核數師為羅兵咸永道會計師事務所。審核委員會負責考慮委聘外聘核數師，並檢討任何由外聘核數師為本集團提供之非核數職能，尤其是委員會於與外聘核數師訂約及彼等履行工作前，考慮該等非核數職能會否引致任何潛在重大利益衝突。

截至二零零五年十二月三十一日止年度內，由羅兵咸永道會計師事務所向本集團提供之核數服務之相關酬金為人民幣1,500,000元。

財務報告

董事會明白本身有責任編製真實公平的賬目，並根據香港會計師公會公佈而普遍被採用之香港會計準則編製財務報表。本公司選擇合適之會計政策並貫徹採用，所作判斷及估計均屬審慎及合理。董事致力在財務報表上對本集團的現有狀況及前景作出中肯及易於理解的評估。

企業透明度及投資者關係

本集團嚴格遵守有助提升及維持透明度的守則，並執行加強財務及會計透明度的措施。於本集團網站 www.shenzhouintl.com 內，投資者可瀏覽本集團最新發展資訊及最近的財務報告。除了全年及中期業績報告外，本集團每年不時亦會刊發新聞稿。

通過舉行單對單會議、刊發新聞稿、路演及報章訪問，本集團與基金經理、分析員及傳媒均保持良好的溝通，並將持續保持良好的關係。

與股東的溝通

本集團鼓勵股東出席股東週年大會，並向董事會直接表達他們所關注的事項；也鼓勵他們通過信件、電郵、電話等方式就疑難問題向公司有關人員進行詢問。

External Auditors

The Group's independent external auditors are PricewaterhouseCoopers. The Audit Committee is responsible for the appointment of the external auditors and reviewing the non-audit functions performed by the external auditors for the Group. In particular, the Committee will, prior to the execution of contract with the external auditors and the commencement of their duties, consider whether the non-audit functions will result in any potential material conflict of interest.

The related remuneration for the audit services provided by PricewaterhouseCoopers to the Group for the year ended 31 December 2005 amounted to RMB1,500,000.

Financial Reporting

The Board is aware of its responsibility in preparing true and fair accounts in accordance with the accounting standards generally accepted in Hong Kong as published by the HKICPA. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Directors endeavoured to make a fair and comprehensive assessment of the Group's current conditions and prospects in the financial report.

Transparency and Investors' Relations

The Group diligently applies its principles that are conducive to maintaining and enhancing its transparency and adopts measures that increase the transparency of financial and accounting matters. Latest developments and financial reports of the Group are available to investors through its website www.shenzhouintl.com. In addition to the annual and interim reports, the Group also issues press releases from time to time throughout the year.

The Group maintains effective communications and good relationships with fund managers, analysts and the media via one-on-one meetings, press releases, roadshows and press interviews.

Communications with Shareholders

Shareholders are encouraged to attend Annual General Meetings and express their concerns directly to the Directors. They are also encouraged to make enquiries to relevant staff of the Company through letters, emails and phone calls.