

## 企業管治報告

## CORPORATE GOVERNANCE REPORT

本公司致力於維持高標準的企業管治，並提高對股東的透明度，本公司已經採納優良的管治與披露常規，並不斷改良該等常規，建立高度操守的企業文化。

除下述的偏離行為外，本公司於二零零五年度已遵守上市規則附錄14企業管治常規守則的守則條文(有關內部監控之守則條文C.2將適用於二零零五年七月一日或之後開始之會計期間，故此該守則除外)。

企業管治常規守則之守則條文A.2.1規定主席與行政總裁的角色應有區分，不應由一人同時兼任。在二零零五年上半年，本公司董事會主席吳雲先生兼任總經理，董事會認為當時階段該架構有助於建立穩健而一致的領導權，使本公司能夠迅速發展及有效的實施各項決策。後來隨本公司的業務擴展，由二零零五年十一月二十二日起，董事會主席與總經理分別由吳雲先生和宮武良行先生擔任，為兩個明確劃分的不同職位。

企業管治常規守則之守則條文B.1.1規定公司應設立具有特定成文權責範圍的薪酬委員會。因本公司需較充足時間進行籌備，故二零零五年內尚未設立該特定成文權責範圍的薪酬委員會。但已在二零零六年四月二十日舉行的董事會會議上設立薪酬委員會，並確定薪酬委員會組成人選和主席，及特定成文的權責範圍等。

The Company endeavours to maintain a high standard of corporate governance and to increase transparency to its shareholders. The Company has adopted sound governance and disclosure practices, and is committed to continuously improve those practices and cultivate an ethical corporate culture.

Except for the deviations specified below, the Company has complied with the code provisions (with exception of Code Provision C.2 on internal controls which will apply to accounting periods commencing on or after 1st July, 2005) of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules in the year 2005.

Code Provision A.2.1 of the Code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. In the first half of 2005, Mr. Wu Yun, the Chairman of the Board, also acted as the General Manager. The Board believed that this structure was conducive to the establishment of a stable and consistent leadership at that stage, allowing the Company to develop at a faster pace and implement various decisions in an effective manner. Subsequently, with the expansion of the Company's business, Mr. Wu Yun and Mr. Miyatake Yoshiyuki have been holding the positions of Chairman of the Board and General Manager, which are two clearly separate positions, respectively, since 22nd November, 2005.

Code Provision B.1.1 of the Code stipulates that a company should establish a remuneration committee with specific written terms of reference. As the Company requires more preparation time, a remuneration committee with specific written terms of reference has not yet established in 2005. However, the Remuneration Committee has been established at the meeting of the Board held on 20th April 2006. Members and Chairman of the Remuneration Committee and specific written terms of reference have been determined.

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薪酬委員會由三名獨立非執行董事（包括龍濤先生、宋小江先生及徐秉金先生）及一名執行董事（劉光明先生）組成。劉光明先生為薪酬委員會主席。

薪酬委員會的責任乃以聯交所刊發的守則中所建議者為基準，主要包括：就本公司董事、監事及高級管理人員的薪酬政策向董事會提供意見；就獨立非執行董事的薪酬政策向董事會提供意見；釐定所有執行董事及高級管理人員的特定薪酬，包括非金錢性質的福利、退休金及補償；確定董事或任何彼等各自的聯繫人概無釐定其自身的薪酬；執行各管治守則所建議的其他職務。

於報告期內，薪酬委員會並無舉行任何會議。

企業管治常規守則條文E.1.2規定董事會主席應出席股東周年大會。本公司董事長吳雲先生簽署一份委任書，委任執行董事劉光明先生出席本公司二零零五年股東周年大會。除非遇特殊情況，董事長吳雲先生均將親身出席本公司股東周年大會。

根據聯交所頒布的條例，所有在香港上市的國內公司均須聘請一名香港居民為獨立非執行董事。但公司到本報告日為止，還未找到一名合適的人選。

The Remuneration Committee is comprised of 3 independent non-executive Directors (including Mr. Long Tao, Mr. Song Xiaojing and Mr. Xu Bingjin) and 1 executive Director (Mr. Liu Guangming). Mr. Liu Guangming serves as the chairman of the Remuneration Committee.

Responsibilities of the Remuneration Committee were set based on the recommendations set out in the Code issued by the Stock Exchange, which mainly include: to recommend the Board in respect of the remuneration policies for the directors, supervisors and senior management of the Company; to recommend the Board in respect of the remuneration policies for the independent non-executive Directors; to determine the specific remunerations for all executive Directors and senior management members, comprising non-monetary benefits, pension and compensation payment; to ensure that none of the Directors or any of their respective associates determine their own remuneration; and to carry out other recommended duties set out in various governance codes.

No meeting was held by the Remuneration Committee for the reporting period.

Code Provision E.1.2 of the Code stipulates that the Chairman of the Board should attend annual general meetings. Mr. Wu Yun, Chairman of the Board, has signed an appointing letter, appointing Mr. Liu Guangming, an executive Director to attend the 2005 Annual General Meeting. The Chairman of the Board, Mr. Wu Yun, should attend the Annual General Meeting of the Company unless any exceptional circumstances occur.

According to regulations promulgated by the Stock Exchange, any PRC-based company listed in Hong Kong shall engage one Hong Kong resident to act as an independent non-executive director. However, as at the date of this report, the Company has not identified a suitable candidate.

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公司根據香港聯合交易所頒布的最新條例，所有在香港上市的公司，均需聘請一名合資格會計師參與公司的財務管理。公司目前正在積極試圖聘用該等人員。

以下為本公司二零零五年內已採納的企業管治常規。

### 董事會

董事會在主席領導下，負責批准及監察公司的整體策略和政策，批准年度預算和業務計劃，評估公司表現以及監督管理層的工作。

董事會由十位董事組成，包括主席、總經理等七位執行董事和三位獨立非執行董事。有關董事會成員之名單及履歷，請參考「董事、監事及高級管理人員之簡短個人資料」一部份。按照上市規則的規定，獨立非執行董事須經董事會確定與公司並無任何直接或間接的重大關係，方會被視為具有獨立性。本公司已獲每一位獨立非執行董事發出確認書，確認其獨立性認為所有獨立非執行董事均為獨立於本公司的人士。

董事會定期開會，並每年至少舉行四次會議。董事會於二零零五年舉行了六次會議，並於二零零六年二月舉行了一次會議，董事出席率為100%。

本公司董事會一直採納上市規則附錄10所載標準守則作為公司有關董事及監事進行證券交易的紀律守

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According to the latest regulations promulgated by the Stock Exchange, any company listed in Hong Kong shall engage a qualified accountant for the financial management of the company. The Company is currently using its best endeavour in identifying a suitable candidate.

Below are the corporate governance practices adopted by the Company in 2005.

### THE BOARD

The Board, led by the Chairman, is responsible for the approval and monitoring of the Company's overall strategies and policies, approval of annual budgets and business plans, evaluation of the performance of the Company, and oversight of the work of the management.

The Board comprises ten Directors, out of which seven are executive Directors (including the Chairman and the General Manager) and three are independent non-executive Directors. For name list and profile of the members of the Board, please refer to the section headed "Biographical Details of Directors, Supervisors and Senior Management". In accordance with the requirements of the Listing Rules, an independent non-executive director must be confirmed by the Board to have no any direct or indirect material relationship with the Company before being considered to be independent. The Company has received written confirmation from each independent non-executive Director of his independence and considered all independent non-executive Directors are independent to the Company.

The Board should meet regularly, and board meeting should be held at least four times a year. The Board held six meetings in 2005 and one meeting in February 2006. Attendance rate of directors is 100%.

The Board has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by Directors and Supervisors. After making

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則，在經向所有董事及監事作出特定查詢之後，本公司確認其董事及監事在二零零五年度內均有遵守該標準守則所訂的準則。

### 主席與總經理

在二零零五年上半年，本公司董事會主席吳雲先生兼任總經理，董事會認為當時階段該架構有助於建立穩健而一致的領導權，使本公司能夠迅速發展及有效的實施各項決策。

後來隨本公司的業務擴展，由二零零五年十一月二十二日起，董事會主席與總經理分別由吳雲先生和宮武良行先生擔任，為兩個明確劃分的不同職位。

主席負責領導與監管董事會的運作，有效地規劃董事會會議，確保董事會以符合公司最佳利益的方式行事。主席應積極鼓勵董事全面參與董事會的事務並對董事會的職能作出貢獻，在主席的領導下，公司董事會已採取良好的企業管治實務和程式，並採取適當步驟與股東保持有效溝通。

總經理負責管理公司的業務，以及制定與實施公司政策，並就公司整體管理向董事會負有責任。公司總經理跟其他執行董事與各核心業務部門的行政管理隊伍通力合作，確保董事會全面瞭解公司業務的資金需求，並提呈年度預算供董事會審批，確保業務的資金需求得到充足供應，同時根據計劃與預算密切監察公司營運與

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specific enquiries with all Directors and Supervisors, the Company confirmed that the Directors and Supervisors have complied with the required standard set out in the Model Code during 2005.

### Chairman and General Manager

In the first half of 2005, Mr. Wu Yun, the Chairman of the Board, also acted as the General Manager. The Board believed that this structure was conducive to the establishment of a stable and consistent leadership at that stage, allowing the Company to develop at a faster pace and implement various decisions in an effective manner.

Subsequently, with the expansion of the Company's business, Mr. Wu Yun and Mr. Miyatake Yoshiyuki have been holding the positions of Chairman of the Board and General Manager, which are two clearly separate positions, respectively, since 22nd November, 2005.

The Chairman is responsible for leading, and overseeing the operations of the Board, effectively planning the Board meetings and ensuring the Board is acting in the best interests of the Company. The Chairman shall proactively encourage Directors to fully participate in the Board's affairs and make contribution to the functions. The Board, under the Chairman's leadership, has adopted good corporate governance practices and procedures and has taken appropriate steps to maintain effective communication with the shareholders.

The General Manager is responsible for managing the business of the Company, as well as formulating and implementing the Company's policies and is answerable to the Board in relation to the overall operation of the Company. The General Manager works in close association with the other executive Directors and the administrative team of each core business division, ensuring that the Board is fully aware of the funding requirements of the business of the Company and presents annual budgets to the Board for consideration and approval. The General Manager also has to ensure the funding requirements of the business of the

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財務業績，並就關於公司發展的相關事宜向董事會提供意見。總經理應與主席和所有董事保持溝通，確保他們充分瞭解公司所有重大的業務發展與事情，並負責建立與維持高效率的行政隊伍以支援其履行職責。

本公司已於二零零五年八月二十四日舉行之董事會會議分別確定董事會職能及管理層職能。

### 董事提名

本公司章程第九十五條規定，董事由股東大會選舉產生，任期三年，董事任期屆滿，可以連選連任。故本公司所有董事的委任均有指定任期。

於本年度，本公司並沒有設立董事提名委員會，但董事會集體性負責審議及評估候選董事品格、資歷及是否適用於本集團業務的經驗，提名董事候選人，董事候選人須於股東大會上接受股東選舉。

於二零零五年度，董事會已考慮提名兩名執行董事以代替兩名執行董事的辭任，該兩名執行董事的委任並經由股東於臨時股東大會上批准生效，該兩名新委任執行董事的任期直至二零零六年股東周年大會之日屆滿，該日為所有現屆董事任期屆滿之日。

Company are sufficiently met and at the same time closely monitor the operation and financial results of the Company according to business plans and budgets, and advise the Board on matters in relation to the Company's development. The General Manager is required to keep close communication with the Chairman and all other Directors to keep them fully informed of all substantive matters relating to the Company's business development, and is also responsible for building and maintaining a highly efficient administrative support team to support him to discharge the assigned duties in this position.

At the meeting of the Board held on 24th August, 2005, the Company have determined the functions of the Board and the management.

### Nomination of Directors

Article 95 of the Company's Articles of Association stipulates that directors shall be elected at the shareholders' general meeting for a term of three years. Upon expiry of the term, a director shall be eligible for re-election. Accordingly, all Directors are appointed for a specific term.

During the year, the Company does not have a nomination committee. The Board shall have the collective responsibility to consider and assess the candidates for directorships based on their characters, qualifications and experience appropriate for the Group's businesses, and nominate candidates for directorships accordingly. Candidates for directorships are subject to election by shareholders at shareholders' general meeting.

During the year of 2005, the Board nominated two executive Directors to fill the vacancies following the resignation of two executive Directors. The appointment of the said two executive Directors were approved by shareholders at an extraordinary general meeting. The two newly-appointed executive Directors shall hold office until the date when the 2006 Annual General Meeting is held. The terms of the existing Directors will also expire on that date.

### 外聘核數師

公司分別委任德勤華永會計師事務所有限公司及德勤•關黃陳方會計師行為境內及境外核數師。該等會計師事務所不會受聘從事非審計工作，以保持其獨立性。外聘核數師受聘從事的工作必須為本公司帶來明確的效益和增值作用，而且不會對其審計工作的獨立性和獨立形象構成負面影響。核數師酬金披露於財務報表內。

### 審核委員會

本公司已按上市規則成立審核委員會並訂明其職權範圍，並已於二零零五年八月二十四日舉行之董事會會議修訂其職權範圍以包括企業管治守則之守則條文C.3.3所列出的所有工作。

審核委員會由三位獨立非執行董事組成，他們均具備瞭解財務報表所需的商業與財務技巧及經驗。委員會由宋小江擔任主席，其他成員分別為龍濤和徐秉金。

審核委員會的職責範圍包括提議聘請或更換外部審計機構、監督公司內部審計制度及實施、審核公司的財務資訊及其披露，審查公司內控制度、負責內部審計與外部審計之間的溝通。

審核委員會於二零零五年舉行了兩次會議，審閱公司二零零四年度末期業績及經審核財務報表、二零零五年度中期業績報告及二零零五年度審計溝通。

### External Auditor

The external auditors currently appointed by the Company are Messrs. Deloitte Touche Tohmatsu CPA Ltd. and Messrs. Deloitte Touche Tohmatsu as its PRC and international auditors respectively. In order to maintain their independence, these accountants do not take on non-audit work. The work the external auditors are engaged to perform must produce measurable efficiency and added-value to the Company and should not cause adverse effect on the independence or independent standing of their audit function. The amount of the remunerations of the auditors is disclosed in the financial statements.

### Audit Committee

The Company has established an audit committee with specific terms of reference in accordance with the Listing Rules. At the Board meeting held on 24th August, 2005, the specific terms of reference were amended to cover all duties set out in Code Provision C.3.3 of the Code.

The Audit Committee comprises three independent non-executive Directors, who possess appropriate business and financial skills and experience to understand financial statements. The Committee is chaired by Song Xiaojiang and other members are Long Tao and Xu Bingjin.

The terms of reference of the Audit Committee include the duties to recommend the engagement and replacement of external audit firms, oversee and implement the Company's internal auditing systems, verify the Company's financial information and disclosure, examine the Company's internal control systems, and take charge and act as a communication channel between internal and external auditors.

The Audit Committee met twice in 2005 to review the Company's final results for 2004 and audited financial statements for 2004 and the 2005 interim report, and to co-ordinate the annual audit for 2005.

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### 內部監控

董事會全權負責監察本公司管理層旗下業務單位的運作，董事會委派適當人員加入所有經營重點業務的附屬公司董事會，以出席其董事會會議來監察該公司的運作，每項業務的管理層須為其業務運作與表現承擔問責。

本公司管理層已實施內部監控制度以合理地保證本集團之資產受到保護，會計記錄妥為保存，適當法律規定獲得遵守，可靠之財務資料已提供予本公司管理層及予以公開，及足以影響本集團之投資及業務風險獲得確認及妥為管理。

### 董事對財務報表之責任

董事會在會計部的協助下負責編製各財政年度的財務報表，並在編製財務報表時確保採納及應用適合的會計政策，及遵守中國會計準則及規例和國際財務報告準則（「國際財務報告準則」）。董事亦須確保財務報表真實公平反映本公司的財務狀況及經營業績。而核數師就本集團財務報表所作出之申報責任聲明列載於第37頁至38頁的核數師報告內。

### 投資者關係及股東權益

公司於中期與年度財務業績公布後，主動為投資界人士安排定期簡報會，藉此促進投資者關係與雙向溝通，公司並透過投資者關係經理回應索取資訊的要求與投資界人士的查詢。

### Internal control

The Board has the ultimate responsibility in overseeing the operation of all business units under the Company's management. It shall appoint suitable qualified personnel to serve on the boards of all subsidiaries and associated companies operating in key business areas, attending their board meetings to oversee the operations of these companies. The management in each business division is accountable for the operations and performance of the business within its area of responsibility.

The Company's management has implemented a system of internal control to provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, applicable laws and regulations are complied with, reliable financial information are provided for the Company's management for publication purposes and investment and business risks affecting the Group are identified and properly managed.

### Director's responsibilities in respect of financial statements

Under the assistance of the accounting department, the Board is responsible for preparing the financial statements for each financial year and ensuring that, in preparing such financial statements, appropriate accounting policies are adopted and applied and the PRC accounting standards and systems and International Financial Reporting Standards ("IFRS") are observed, to give a true and fair view of the financial position and operating results of the Company. The statement of the auditors about their responsibilities on the Group's financial statements is set out in the Auditor's Report on pages 37 to 38.

### Investor relations and shareholders' rights

After announcement of the Company's interim and annual financial results, the Company has proactively arranged for briefing meetings for people from the investment community at regular intervals, using the opportunity to promote investor relations and two-way communication. The Company, through the investor relations manager, responds to the information requests and inquiries by people from the investment community.

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公司鼓勵股東出席股東周年大會，主席與董事均出席大會，以解答股東對有關公司業務的提問。公司還及時向股東派發年報或半年報，以供股東查閱。

回顧二零零五年度，根據上市規則新企業管治常規守則的規定，本公司已對自身的企業管治實務及有關的匯報方式做出了適應性修訂，並且還將根據不斷更新的規管變化、公司的發展趨勢、以及股東反饋的意見，繼續致力於提高公司管治水平，以確保公司的穩健發展及增加股東價值。

董事會  
伍年青  
公司秘書

中國•重慶  
二零零六年四月二十日

The Company encourages shareholders to attend the shareholders' annual general meeting in which the Chairman and Directors will be on hand to answer questions by shareholders on the Company's business. The Company distributes annual and interim report to the shareholders in a timely manner for their inspection.

In 2005, the Company has made corresponding amendments to the practices of its own corporate governance as well as the contents and the related reporting format pursuant to the new provisions set out in the Code on Corporate Governance Practices of the Listing Rules. The Company will also continue to dedicate efforts into enhancing the standard of its corporate governance according to the ongoing regulatory changes, development trend of the Company, and feedback opinions from shareholders, ensuring a stable and healthy growth for the Company while adding value to shareholders.

The Board of Directors  
**Wu Nianqing**  
*Company Secretary*

Chongqing, PRC  
20th April, 2006