

公司管治報告

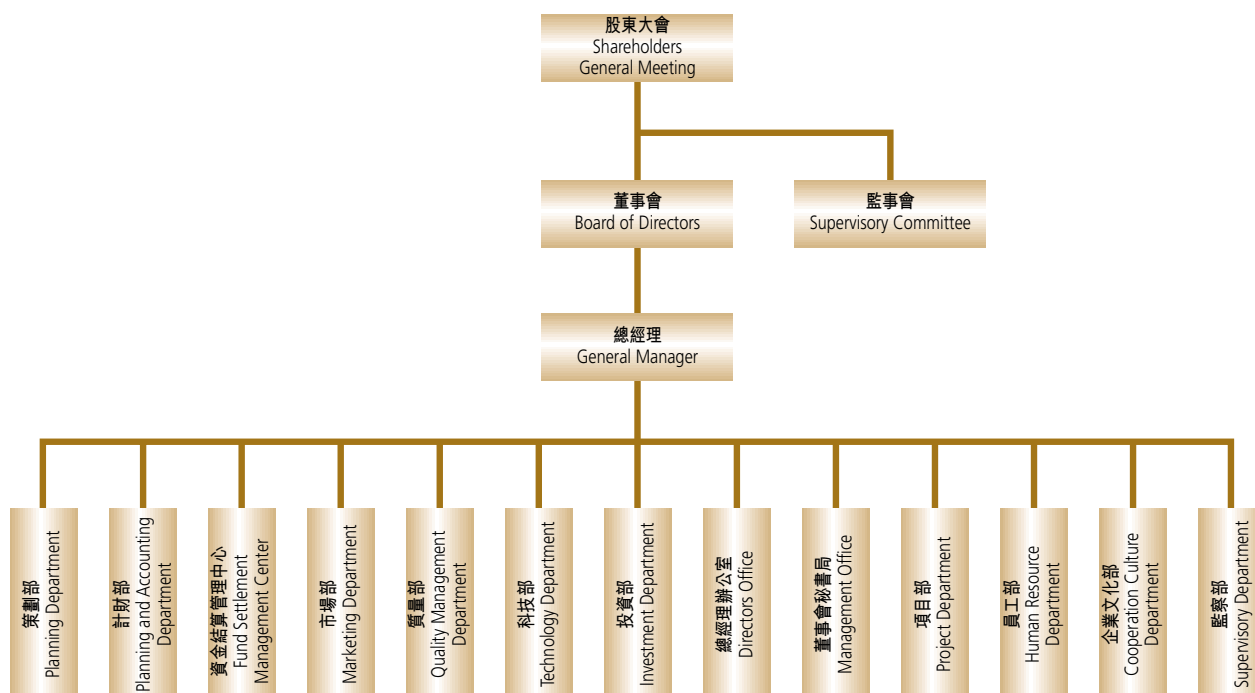
Corporate Governance

公司按照《公司法》、《證券法》、《上市公司治理準則》及中國證監會和香港聯合交易所《上市規則》等有關規定，全面遵守《上市規則》附錄十四《企業管治常規守則》，積極完善公司法人治理結構、規範公司運作。

The company will conform to the related provisions in PRC Company Law, PRC Security Law, Governance Rules for Listing Companies and Listing Regulations of China Stock Supervision and Administration Commission and the Stock Exchange of Hong Kong Limited, wholly comply with the appendix 14 of Listing Regulations-Corporation Governance General Rules, actively perfect the corporation management structure and standardize the company operation.

管理架構

ORGANIZATION CHART



公司管治報告(續)

Corporate Governance – (continued)

股東和股東大會

本公司的控股股東為哈爾濱電站設備集團公司，其為一家在中華人民共和國註冊的國有企業。

本公司保護股東的權益，平等對待所有股東，倡導股東積極參與公司治理。股東作為公司的所有者，享有法律、法規所規定的權利，並承擔相應的義務，股東對公司重大事項享有知情權和決定權。股東大會是公司的權力機構，依法行使職權。在批准關聯交易時，有利害關係的股東放棄在股東大會的投票權。

本公司在二零零五年召開一次股東周年大會，會議審議通過了載於本公司二零零五年四月二十四日股東周年大會通知所列全部議案。

董事會

本公司董事會代表全體股東利益，並領導本公司在商業經營上持續取得成功。本公司董事均遵守《上市規則》附錄十所載的《標準守則》。

本公司董事會由11名成員組成，其中執行董事6人，包括耿雷先生、宮晶堃先生、趙克非先生、段洪義先生、商中福先生、吳偉章先生；非執行董事2人，即梁維燕先生、李根深先生；獨立董事3人，包括周道炯先生、都興有先生、丁雪梅女士。各董事的任期均為三年，到二零零六年六月二十日屆滿。本公司董事會期內能夠按照有關法規規定，嚴格執行了股東大會的各項決議，並將繼續本著誠信和勤勉之原則，真誠地為公司及股東的最大利益服務。

TO ALL SHAREHOLDERS AND GENERAL MEETING

The Harbin Power Plant Equipment Group Corporation-the shareholder of controlling shares, which is a stated-owned company registered in the People's Republic of China.

The Company protects shareholder's profit. Shareholders as the owner of the Company enjoy rights regulated in laws and regulations and shoulder commensurately obligations. The Company will treat every shareholder equally and initiate shareholders to join in the Company's management. The shareholders enjoy rights to information and rights to decision-making for the Company's big events. The General Meeting of Shareholders is the power organization of the Company, and it exercises its functions and power according to laws. At the approval of connected transactions, the shareholder with common interests should give up to vote at the General Meeting.

In 2005, the Company had an annual General Meeting. The General Meeting discussed and resolved all relevant items, which were listed on the Note of the Annual General Meeting of 24th April, 2005.

BOARD OF DIRECTORS

On behalf of the whole shareholders' profits, the Company's Board of Directors as the leader achieves a lot in business operation. Directors of the Company all comply with the Appendix10 in Listing Rules-Model Code.

The Company's Board of Directors is consisted of 11 members, among which six members are the executive directors including Mr. Geng Li, Mr. Gong Jing-kun, Mr. Zhao Ke-fei, Mr. Duan Hong-yi, Mr. Shang Zhong-fu and Mr. Wu Wei-zhang, two members are the non-executive directors including Mr. Liang Wei-yan and Mr. Li Gen-shen, three members are independent non-executive directors-Mr. Zhou Dao-jun, Mr. Du Xing-you and Ms. Ding Xue-mei. The term for every director is three years and will be expired in 20th June, 2006. During their term, directors of the Company could strictly carry out every resolutions of the General Meeting according with the related laws and regulations, and will continue the principia of honesty and diligence to actively serve for the greatest interests of the Company and its shareholders.

公司管治報告(續)

Corporate Governance – (continued)

董事會(續)

本公司在二零零五年共召開了6次由全體董事參加的董事會議。

董事履行職責情況

董事參加董事會的出席情況

董事姓名	Name of directors	應參加董事會次數 Times of Board of Directors meetings	親自出席(次) Times of self participation	出席率 Participant rate
耿雷先生	Mr. Geng Li	6	6	100%
宮晶堃先生	Mr. Gong Jing-kun	6	6	100%
趙克非先生	Mr. Zhao Ke-fei	6	6	100%
段洪義先生	Mr. Duan Hong-yi	6	6	100%
商中福先生	Mr. Shang Zhong-fu	6	6	100%
吳偉章先生	Mr. Wu Wei-zhang	6	6	100%
梁維燕先生	Mr. Liang Wei-yan	6	6	100%
李根深先生	Mr. Li Gen-shen	6	6	100%
周道炯先生 (獨立董事)	Mr. Zhou Dao-jun (independent director)	6	6	100%
都興有先生 (獨立董事)	Mr. Du Xing-you (independent director)	6	6	100%
丁雪梅女士 (獨立董事)	Ms. Ding Xue-mei (independent director)	6	5	83%

本公司獨立董事按照國家有關法律法規和公司章程的要求，認真履行職責，積極瞭解、熟悉公司的業務及經營情況，親自出席了本公司董事會2005年會議(只有一位因外出缺席一次會議)。對公司生產經營中涉及關聯交易等事項，按照有關規定，做出了客觀公正的判斷並發表獨立意見，充分發揮了獨立董事的作用，維護公司及廣大中小股東的利益。

BOARD OF DIRECTORS (continued)

The Company had six Board of Directors meetings all together in the year of 2005, which all directors participated.

Duties Fulfillment of Directors

The directors' participation minute for Board of Directors Meetings

According to the relevant provisions in the national laws and regulations and the Articles of Association of the Company, the independent non-executive directors of the Company carefully carried out their duties and actively acknowledged the Company's business and operation, self participated all Board of Directors meetings in 2005. For the connected transactions involved in the Company's production and management, the independent non-executive directors made impersonal and equitable judgements and gave independent opinions according to the related regulations, sufficiently exerted the functions as independent non-executive directors and stuck up for the interests of the Company and the medium and small shareholders.

公司管治報告(續)

Corporate Governance – (continued)

董事長及總經理

本公司自成立以來董事長與總經理一直是分別設立的，現董事長由耿雷先生擔任，總經理由趙克非先生擔任。董事長、總經理及其他董事之間無任何關係。

公司高級管理人員的聘免公開、透明，符合法律、法規和公司章程的有關規定。

各專門委員會

公司於二零零四年成立了審核委員會、薪酬委員會、提名委員會、戰略發展委員會等四個專門委員會，其成員全部由董事組成。本公司董事會設有審核委員會，審核委員會中獨立董事佔多數並由獨立董事擔任委員會主席，符合《香港聯合交易所證券上市規則》第3.21條之規定。本公司的二零零五年年報、中期報告都經過董事會審核委員會審閱。進一步改善了公司管治結構，提高運作水平。

監事會

本公司監事會由5名監事組成，其中股東代表監事2名，職工代表監事2名，獨立監事1名。

(一) 期內監事會會議情況

期內監事會共召開了2次會議，主要內容如下：

1. 二零零五年四月十六日召開第四屆監事會會議，會議通過本公司二零零四年度監事會報告，經審計的二零零四年度財務報告，二零零四年度年報及年報摘要。

CHAIRMAN AND GENERAL MANAGER

The Company's Chairman and General Manager are set separately. The Chairman is Mr. Geng Li and the General Manager is Mr. Zhao Ke-fei, there is no any relationship among Chairman, General Manager and other directors.

The appointment and exemption of the Company's senior managers are open and lucid, accord with the provisions of the related laws and regulations and the Articles of Association of the Company.

SPECIAL COMMITTEES

The Company established Board of Directors Special Committees in 2004-the supervision committee, the salary committee, the nomination committee and the strategy develop committee, their members are consist of directors, in supervision committee, the independent non-executive directors occupy majority and are appointed as the Chairman. All these committees have functions to further perfect the Company's governance structure and improve its operating capability. The Company sets the supervision committee under the Board of Directors, which accords with the provisions in clause 3.21 of the Securities Listing Rules of the Hong Kong Stock Exchange Limited, and the Company's annual report 2005 and interim report 2005 are all reviewed and approved by the supervision committee of the Board of Directors.

SUPERVISORY COMMITTEE

The Supervisory Committee holds responsibility to all shareholders, the Company's Supervisory Committee is consist of five supervisors, of which two supervisors are representing shareholders, two supervisors are representing staff and workers and one is independent supervisor.

1. The Supervisory Committee Meeting in the year under review.

The Supervisory Committee held two meetings in the year under review, the main contents are as follows:

- a. The 4th Supervisory Committee Meeting was held on 16th April, 2005, the meeting proved report of the Supervisory Committee 2004 of the Company, the audited financial reports 2004 and annual report 2004 and its summary.

公司管治報告(續)

Corporate Governance – (continued)

監事會(續)

2. 二零零五年八月十二日召開第四屆會監事會議，會議通過本公司二零零五年半年度未經審計的財務報告、二零零五年半年度報告等議案。

(二) 監事會對公司二零零五年度有關事項的獨立意見。

1. 公司依法運作情況

監事會依據國家有關法律、法規對二零零五年公司股東大會、董事會的召開程序、決議事項、董事會對股東大會決議的執行情況、公司管理制度的執行、經營管理的效能等進行了監督、檢查，認為公司二零零五年度嚴格按照《公司法》、《上市規則》、本公司章程及其他有關法規制度規範運作，經營決策科學合理，進一步完善了內部管理，建立了良好的內控機制。

2. 檢查公司財務情況

監事會認真審核了董事會準備提交股東大會審議的公司二零零五年度財務決算報告，公司二零零五年度利潤分配方案，經德勤關黃陳方會計師事務所審計並出具的二零零五年度財務審計報告等相關資料。監事會認為：公司二零零五年度財務審計報告真實可靠，客觀地反映了公司的財務狀況和經營成果。監事會同意境內外會計師事務所出具的公司財務審計報告。

SUPERVISORY COMMITTEE (continued)

- b. The 4th Supervisory Meeting was held on 12th August, 2005, the meeting proved related proposals, including the Company's interim un-audited financial reports 2005 and interim reports 2005.

2. Independent Opinions of the Supervisory Committee to the Related Matters of the Company in the Year of 2005.

- a. The Company's Operating Validity

According to related laws and regulations, the Supervisory Committee has supervised and examined the convening procedures and resolution matters of the General Meeting and the Board of Directors Meeting, the Board of Directors implementation to the General Meeting resolutions, the enforcement of the Company's management rules and the efficiency of the Company's operating and managing, the Supervisory Committee deemed that in 2005 the Company has operated strictly according with the related provisions in PRC Corporation Law, the Listing Rules, the Articles of Association of the Company and other regulations, the Company's operation decisions were reasonable, the Company further perfected its internal management and built favorable inner control system.

- b. Reviewing the Financial Situations of the Company

The Supervisory Committee carefully reviewed the Company's financial balancing report 2005, the Company's profit distribution scheme 2005 and the audited financial reports 2005, which were audited and submitted by Deloitte Touche Tohmatsu, etc., which the Board of Directors arranged to submit to the General Meeting. The Supervisory Committee deemed that the Company's audited financial reports 2005 was true and credible, which external presented the Company's financial situations and business results. The Supervisory committee approved the Company's financial audited reports, which were submitted by the negotiable accounting offices.

公司管治報告 (續)

Corporate Governance – (continued)

監事會 (續)

3. 股東大會決議執行情況

監事會成員列席了董事會會議和股東大會會議，監事會對股東大會決議執行情況進行了監督，認為董事會能夠認真執行股東大會決議。

(三) 監事會履行監督職責情況

監事會依照法律和公司章程對公司董事、高管人員進行監督，認為公司董事、高管人員依法執行職務，未發現違反法律法規和公司章程的行為，未發現損害公司利益的行為。

信息披露與監管

本公司不斷加強信息披露和推進投資者關係管理工作，公司信息披露負責機構為董事會秘書局。本公司嚴格按照相關法律法規、公司章程及上市規則的信息披露規定，做到信息披露公開、公平、真實、準確、完整、及時，提高公司的透明度。在加強投資者關係管理工作中，重點及時發佈中期、年度業績報告，開展與投資者見面、參與投資者論壇、舉辦電話會議、舉行業績說明會等活動，向投資者闡述公司的最新動向和發展前景。本公司強化關聯交易的監管，關聯交易都必須經過獨立董事嚴格審核。

本公司將嚴格按照境內外證券監管機構的有關法律、法規的要求，嚴格履行各項義務，不斷完善公司治理，提高公司管治水平。

SUPERVISORY COMMITTEE (continued)

c. The Implementation of the General Meeting Resolutions

The members of the Supervisory Committee participated in the Board of Directors Meeting and the General Meeting without voting, the Supervisory Committee supervised the implementation of the General Meeting resolutions, and deemed that the Board of Directors could carefully carry out the General Meeting decisions.

3. The Supervisory Duties Implementation of the Supervisory Committee

The Supervisory Committee supervised the directors and senior managers of the Company according with the related laws and the Articles of Association of the Company, deemed that the directors and senior managers of the Company carried out their duties lawfully, did not find out any abuses to act against the related laws and regulations and the Articles of Association of the Company and the interests of the Company.

INFORMATION PUBLICATION AND SUPERVISION

The Company continuously improves the information publication and pushed forward the investor communication management, the board secretaries department of the Company is responsible for the information publication. The Company strictly accords with the related information publication provisions in relative laws and regulations, the Article of Association of the Company and Listing Rules, makes the information publication to be open, equity, true, correct, complete and in time, improves the Company's diaphaneity. In order to improve the communicating with the investors, the Company emphasizes and is in time to issue its interim and annual business reports, develops the communicating with the investors and participates in the investor forums, holds the telephone meetings and business illuminating meetings to expound the Company's latest status and developing foreground to the investors. The Company strengthens its supervision on connected transactions, and all connected transactions must be reviewed by independent directors.

The Company will do its duties, continuously complete its management and improve its management level, strictly according to related laws and regulations of negotiable securities supervisory organizations.