

企業管治報告

Corporate Governance Report

由於董事會認為有效的企業管治常規在提升股東價值及保障股東及其他利益相關人士的權益實屬必要，故本公司與董事會致力達致及保持最高標準的企業管治。因此，本公司已採取合理的企業管治原則，以突顯董事會質素、有效的內部監控、嚴格的披露規定和透明度，以及對所有利益相關人士的問責性。

截至二零一一年十二月三十一日止年度，本公司一直遵守上市規則附錄14所載企業管治常規守則的守則條文。

本公司已採納條款不寬鬆於上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)之有關董事進行證券交易的操守守則。經向全體董事作出特定查詢後，所有董事確認，彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易的操守守則。

董事會

董事會負責領導及監控本集團的業務運作。董事會制定本集團的策略性方向、監督其運作，並監察其財務表現。管理層在董事會授權的範圍內管理本集團的業務。管理層向董事會負責本公司的整體營運。

本公司的章程細則列明須由董事會決策的事宜。

公司秘書或其助理負責編製董事會及董事委員會的會議記錄。會議記錄及書面決議案擬稿將於合理期間內向全體董事會成員或董事委員會成員傳閱，以供其審閱及表達意見。會議記錄及書面決議案的最終定稿將於合理時間內送交作記錄，而經簽署的副本將存置於由公司秘書保管的本公司會議記錄冊內，以供董事查閱。

於二零一一年十二月三十一日及本報告日期，董事會由兩名執行董事、五名非執行董事及三名獨立非執行董事組成。截至二零一一年十二月三十一日止年度，獨立非執行董事的數目符合上市規則的最低規定。董事的詳情載列於第25頁至29頁的「董事及高級管理人員履歷」一節及本公司的網站內。

The Company and the Board are devoted to achieve and maintain the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding interests of the shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders.

For the year ended 31 December 2011, the Company has complied with the code provisions of the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules.

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding Directors' securities transactions adopted by the Company.

The Board of Directors

The Board is responsible for leading and controlling the business operations of the Group. It formulates strategic directions, oversees the operations and monitors the financial performance of the Group. The management manages the businesses of the Group within the delegated power and authority given by the Board. The management is accountable to the Board for the Company's overall operation.

The Company's articles of association set out matters which are specifically reserved to the Board for its decision.

The Company Secretary or his assistant is responsible for taking minutes of Board and Board Committee meetings. Draft minutes and written resolutions will be circulated to all Board members or Board Committee members for review and comment for a reasonable period. Final version of the minutes and written resolutions will be provided for record within a reasonable time and the signed copies are kept in the Company's minutes book maintained by the Company Secretary for Directors' inspection.

As at 31 December 2011 and at the date of this report, the Board comprises of two executive Directors, five non-executive Directors and three independent non-executive Directors. The number of independent non-executive Directors fulfilled the minimum requirement of the Listing Rules throughout the year ended 31 December 2011. A description of the Directors is set out in the "Biographical Details of Directors and Senior Management" section on pages 25 to 29 and on the Company's website.

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本公司已收到各獨立非執行董事根據上市規則就其獨立性作出的年度確認。就該等確認而言，據本公司所知，其認為全體獨立非執行董事均符合上市規則第3.13條所載的獨立性規定，彼等全體均為獨立人士。

主席及行政總裁

主席與行政總裁的職權已予區分。主席負責管理董事會，並領導其制定整體策略及業務發展方向，並確保各位董事均可獲得足夠、完整及可信的資料，在董事會會議內提到的問題均可得到合理的解釋。行政總裁負責管理本公司業務，實施董事會所制定的政策、業務目標及計劃，並就本公司整體運營向董事會負責。高級管理層在本公司行政總裁的領導下負責本集團的日常營運。

委任、重選及罷免

各執行董事均與本公司訂立服務協議，由二零一零年四月九日開始為期三年。各非執行董事及獨立非執行董事均與本公司訂立委任書，由二零一零年四月九日開始為期三年，惟Fritz Heinrich Horlacher先生除外，其委任日期於二零一一年二月十日開始。董事會委任的所有董事（不論為填補臨時空缺或屬董事會新增成員）均須於獲委任後首個股東週年大會退任並符合資格膺選連任。

於每屆股東週年大會上，當時三分之一的董事（或如董事人數並非三或三的倍數，則最接近但不少於三分之一的人數）均須輪值退任，惟各董事（包括該等按特別年期獲委任者）須至少每三年輪值退任一次。

根據本公司的章程細則條文，徐軍先生（執行董事）、劉曉東先生（執行董事）、陶芳芳女士（非執行董事）及葉佩玲女士（非執行董事）將輪值退任，並符合資格及願意於應屆股東週年大會上膺選連任。

董事獲董事會委任後將由高級行政人員全面簡介本集團的業務。董事定期獲提供持續教育及資料，確保彼等獲悉本集團經營業務的商業、法律與規管環境的最新變化。

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Listing Rules. With reference to such confirmations, the Company, to its best knowledge, considers all the independent non-executive Directors fulfill the guidelines on independence as set out in Rule 3.13 of the Listing Rules and all to be independent.

Chairman and Chief Executive Officer

The roles of the chairman are segregated from the chief executive officer. The chairman is responsible for managing the Board, steering the Board to formulate overall strategies and business development plans, ensuring the receipt of sufficient, complete and reliable information by each Director and the receipt of reasonable explanations for the issues raised in the Board meetings. The chief executive officer is responsible for managing the business of the Company and implementing policies, business objectives and plans formulated by the Board, and is accountable to the Board for the Company's overall operation. The senior management team is responsible for the day-to-day operations of the Group under the leadership of the chief executive officer of the Company.

Appointment, Re-election and Removal

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing 9 April 2010. Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing 9 April 2010 except for Mr. Fritz Heinrich Horlacher whose commencement date was 10 February 2011. All Directors appointed by the Board either to fill a casual vacancy or as addition to the Board shall retire and be eligible for re-appointment at the first general meeting after appointment.

At each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

In accordance with the provisions of the Company's articles of association, Mr. Xu Jun (an executive Director), Mr. Liu Xiao Dong (an executive Director), Ms. Tao Fang Fang (an non-executive Director) and Ms. Yip Pui Ling, Rebecca (an non-executive Director) will retire by rotation and, being eligible, offer themselves for re-election in the forthcoming AGM.

Upon appointment to the Board, the Directors will be provided with a comprehensive briefing of the Group's businesses by senior executives. Continuing education and information are provided to the Directors regularly to help ensure that the Directors are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses.

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於二零一一年十二月，全體董事出席有關分別於二零一二年一月一日及二零一二年四月一日生效的上市規則修訂的內部研討會。

截至二零一一年十二月三十一日止年度，本公司並無成立提名委員會，並將此功能保留在薪酬委員會。薪酬委員會成員不時物色合適的合資格人士出任董事會成員，並挑選或在挑選提名董事人選的過程中向董事會作出推薦建議。於考慮提名新任董事時，薪酬委員會將考慮候選人的資歷、能力、工作經驗、領導才能及專業操守以及(就獨立非執行董事而言)獨立性規定。薪酬委員會已採納新任董事的提名程序，據此，(1)將與候選人進行面試；及(2)薪酬委員會將考慮並酌情向董事會提出合適的推薦意見。

董事及高級管理層的變動

董事會已批准(1) Robert Peter Thian先生辭任獨立非執行董事、審核委員會成員及薪酬委員會成員，自二零一一年二月十日起生效；(2)委任Fritz Heinrich Horlacher先生為獨立非執行董事、審核委員會成員及薪酬委員會成員，自二零一一年二月十日起生效；(3)委任梅志雄先生為公司秘書、財務總監及授權代表，自二零一一年二月十八日起生效；及(4)委任魯俞江先生為本集團非處方藥業務總監兼寧波立華副總經理，自二零一一年八月一日起生效。

於年結日後，為遵守即將於二零一二年四月一日生效的上市規則修訂，已更換薪酬委員會主席一職。李晉頤先生不再出任薪酬委員會主席，惟繼續擔任委員會成員。鄧昭平先生則獲委任為薪酬委員會主席，上述變動均自二零一二年三月二十九日起生效。

In December 2011, all the Directors attended an internal seminar on the amendments to the Listing Rules which take effect on 1 January 2012 and 1 April 2012 respectively.

For the year ended 31 December 2011, the Company had not established a Nomination Committee and had retained the functions with the Remuneration Committee. The Remuneration Committee members from time to time identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In considering the nomination of new Directors, the Remuneration Committee will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates as well as the independence requirement in the case of an independent non-executive Director. The Remuneration Committee has adopted procedures for nomination of a new Director, pursuant to which (1) an interview will be conducted with the prospective candidates; and (2) the Remuneration Committee will consider and, if thought fit, make suitable recommendations to the Board.

Changes of Directors and Senior Management

The Board has approved (1) the resignation of Mr. Robert Peter Thian as an independent non-executive Director, member of the Audit Committee and member of the Remuneration Committee, effective 10 February 2011; (2) the appointment of Mr. Fritz Heinrich Horlacher as an independent non-executive Director, member of the Audit Committee and member of the Remuneration Committee, effective 10 February 2011; (3) the appointment of Mr. Mui Chi Hung as the company secretary, chief financial officer and authorised representative, effective 18 February 2011; and (4) the appointment of Mr. Lu Yu Jiang as chief OTC business officer of the Group and deputy general manager of Ningbo Liwah, effective 1 August, 2011.

Subsequent to the year end, in order to comply with the forthcoming amendments to the Listing Rules which will be effective on 1 April 2012, there is a change of the chairman of the Remuneration Committee. Mr. Lee Jin Yi ceased to be the chairman of the Remuneration Committee but remains as a member of the committee. And Mr. Tang Chiu Ping, Raymond has been appointed as the chairman of the Remuneration Committee, both with effect from 29 March 2012.

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董事會會議

董事會預期定期會晤，每年至少四次。於定期的會議之間，本集團的高級管理層會就本集團的業務活動及發展定期向董事提供資料。在董事認為有必要的任何時候，董事可隨時獲取本集團的資料及獨立專業意見。

截至二零一一年十二月三十一日止年度，董事會舉行了五次會議，而每位董事的出席情況如下：

Board Meetings

The Board is expected to meet regularly at least four times a year. Between scheduled meetings, the senior management of the Group provides information to Directors on a regular basis regarding the activities and development in the businesses of the Group. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

The Board held five meetings during the year ended 31 December 2011 with the attendance of each Director as follows:

董事	Directors	出席會議次數／ 舉行會議次數 No. of meetings attended/ No. of meetings held	出席率 Attendance rate
執行董事：	Executive Directors:		
徐軍先生(行政總裁)	Mr. Xu Jun (Chief Executive Officer)	5/5	100%
劉曉東先生	Mr. Liu Xiao Dong	5/5	100%
非執行董事：	Non-executive Directors:		
Stephen Burnau Hunt先生(主席)	Mr. Stephen Burnau Hunt (Chairman)	5/5	100%
李晉頤先生(副主席)	Mr. Lee Jin Yi (Deputy Chairman)	5/5	100%
湯軍先生	Mr. Tang Jun	5/5	100%
陶芳芳女士	Ms. Tao Fang Fang	5/5	100%
葉佩玲女士	Ms. Yip Pui Ling, Rebecca	4/5	80%
獨立非執行董事：	Independent non-executive Directors:		
陳記煊先生	Mr. Chan Kee Huen, Michael	5/5	100%
鄧昭平先生	Mr. Tang Chiu Ping, Raymond	5/5	100%
Fritz Heinrich Horlacher先生 (於二零一一年二月十日獲委任)	Mr. Fritz Heinrich Horlacher (appointed on 10 February 2011)	5/5	100%
Robert Peter Thian先生 (於二零一一年二月十日辭任)	Mr. Robert Peter Thian (resigned on 10 February 2011)	0/0	N/A

就董事會的定期會晤而言，董事將至少提前十四天獲得書面會議通知及在會議前不少於三天獲得董事會議程及所需文件。就其他會議而言，在合理及切實的情況下，董事會盡量獲予最早的通知。除本公司的章程細則所容許的該等情況外，已於任何合約、交易、安排或向董事會提呈以供批准的任何其他類別建議中擁有重大權益的董事，將須就相關決議案放棄投票且有關董事不會被計入為決定法定人數的數目內。

With respect to regular meetings of the Board, the Directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the articles of association of the Company, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration, will abstain from voting on the relevant resolution and such Director is not counted as quorum.

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董事會制定其特定書面職權範圍，載列職務、責任、權力及職能，當中包括以下項目：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 根據現行的會計準則及法律負責編製及真實公平呈列財務報表、批准財務報表以及委聘與協調本集團外聘核數師；
- 檢討本公司遵守守則的情況及在其年報內企業管治報告內的披露；
- 與所有監管機構及組織協調有關本集團之一切事務，並監察與本集團相關且受其影響的政策變動；及
- 確保向本集團股東負責及保持有效的溝通。

The Board has devised its specific written terms of reference setting out its duties, responsibilities, powers and functions which include the following:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- taking responsibility for the preparation and the true and fair presentation of the financial statements in accordance with the prevailing accounting standards and laws, approving the financial statements and appointing and liaising with the Group's external auditors;
- reviewing the Company's compliance with the code and disclosure in the Corporate Governance Report in its Annual Report;
- liaising with all regulatory authorities and organisations on all matters relating to the Group, and monitoring changes in their policies relating to and affecting the Group; and
- ensuring accountability towards and sufficient communication with the Group's shareholders.

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董事委員會

董事會已成立審核委員會、薪酬委員會及執行委員會。各委員會的組成及職責請見下文。各委員會須根據各自的職權範圍向董事會報告其建議，除各委員會明確訂明的職權範圍外，其建議最終由董事會決定。

審核委員會

本公司的審核委員會由三名獨立非執行董事及兩名非執行董事組成。陳記煊先生現為審核委員會的主席。審核委員會預期定期會晤，每年至少三次。

董事會已成立審核委員會，並已制定其書面職權範圍，載列董事會授予彼等的職務、責任及權力。審核委員會的主要職責包括：

- 監察與外聘核數師的關係，包括：
 - 就外聘核數師的委任、續聘及罷免、批准外聘核數師的酬金及委聘條款向董事會提供建議以及處理任何有關核數師辭任或罷免的問題；
 - 按適用標準檢討及監察外聘核數師的獨立性及客觀性以及審核程序的效能；及
 - 就委聘外聘核數師提供非核數服務制定及執行政策；
- 審閱及監察本集團財務報表、年報及半年度報告的完整性，並審閱當中所載的重大財務申報判斷；及
- 檢討本集團財務申報及內部監控制度的有效性。

Board Committees

The Board has established the Audit Committee, the Remuneration Committee and the Executive Committee. Please see below for the composition and responsibilities of the committees. Each committee shall provide their recommendations to the Board based on their respective terms of reference. The decisions of the Board on such recommendations shall be final, unless otherwise stated in the terms of reference of these committees.

Audit Committee

The Audit Committee of the Company consists of three independent non-executive Directors and two non-executive Directors. Mr. Chan Kee Huen, Michael currently serves as the chairman of the Audit Committee. The Audit Committee is expected to meet regularly at least three times per year.

The Board has established the Audit Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Audit Committee include the following:

- oversee the relationship with the external auditor, including:
 - making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor and addressing any questions of resignation or dismissal of such auditor;
 - reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and
 - developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- review and monitor the integrity of the Group's financial statements, annual reports and half-year reports, and to review significant financial reporting judgements contained therein; and
- review the effectiveness of the financial reporting and internal control systems of the Group.

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截至二零一一年十二月三十一日止年度，審核委員會舉行了三次會議，而每位成員的出席情況如下：

The Audit Committee held three meetings during the year ended 31 December 2011 with the attendance of each member as follows:

審核委員會成員姓名	Name of Audit Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/ No. of meetings held	出席率 Attendance rate
陳記煊先生(主席)	Mr. Chan Kee Huen, Michael (Chairman)	3/3	100%
李晉頤先生	Mr. Lee Jin Yi	3/3	100%
葉佩玲女士	Mr. Yip Pui Ling, Rebecca	2/3	66.67%
鄧昭平先生	Mr. Tang Chiu Ping, Raymond	3/3	100%
Fritz Heinrich Horlacher先生 (於二零一一年二月十日獲委任)	Mr. Fritz Heinrich Horlacher (appointed on 10 February 2011)	3/3	100%
Robert Peter Thian先生 (於二零一一年二月十日辭任)	Mr. Robert Peter Thian (resigned on 10 February 2011)	0/0	N/A

截至二零一一年十二月三十一日止期間，審核委員會已：

During the year ended 31 December 2011, the Audit Committee had:

- 於呈交董事會批准前與管理層及外聘核數師審閱中期業績及年度業績以及有關公告，包括有關披露規定、財務報告的完整性及本集團所採納的會計政策；
 - 與管理層討論影響本集團綜合財務報表的重大判斷；
 - 審閱外聘核數師的薪酬及委聘條款，以及就該核數師的委任向董事會提供推薦建議；
 - 審閱及討論內部監控報告，包括在上份報告中所提出的建議的實施情況；及
 - 審閱及評估本公司內部監控及風險管理的合理性及效力。
- reviewed with management and external auditor on the interim results and annual results and related announcements including the related disclosures, integrity of financial reporting and the accounting policies adopted by the Group prior to submission to the Board for approval;
 - discussed with management on significant judgements affecting the Group's consolidated financial statements;
 - reviewed the remuneration and terms of engagement of the external auditor and recommended the Board on the appointment of the external auditor;
 - reviewed and discussed the internal control report including the status of implementing recommendations from the previous report; and
 - reviewed and assessed the adequacy and effectiveness of the Company's internal control and risk management.

企業管治報告 Corporate Governance Report

薪酬委員會

本公司的薪酬委員會由三名獨立非執行董事及兩名非執行董事組成。薪酬委員會預期定期會晤，每年至少一次。

董事會已成立薪酬委員會，並已制定其書面職權範圍，載列董事會授予彼等的職務、責任及權力。審核委員會的主要職責為：

- 就全體董事及高級管理層的薪酬政策及薪酬架構向董事會提供推薦建議及為制訂該等薪酬政策訂明一套正式透明的程序，並在董事會考慮授予董事及高級管理層的薪酬總額及／或福利前不時提出該等推薦建議；
- 考慮同類公司支付的薪酬、須付出的時間及職責以及集團內其他職位的僱用條件；
- 遵守董事會不時指定或本公司組織章程所載或上市規則及任何適用法例所定的任何要求、指示及規例；
- 評估獨立非執行董事的獨立性；及
- 就有關提名、委任或重新委任董事事宜向董事會作出推薦建議。

Remuneration Committee

The Remuneration Committee of the Company consists of three independent non-executive Directors and two non-executive Directors. The Remuneration Committee is expected to meet regularly at least once per year.

The Board has established the Remuneration Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Remuneration Committee are:

- to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and placing such recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors and senior management from time to time;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law;
- to assess the independence of independent non-executive Directors; and
- to make recommendations to the Board on the nomination, appointment or re-appointment of Directors.

企業管治報告 Corporate Governance Report

截至二零一一年十二月三十一日止年度，薪酬委員會舉行了兩次會議，而每位成員的出席情況如下：

The Remuneration Committee held two meetings during the year ended 31 December 2011 with the attendance of each member as follows:

薪酬委員會成員姓名	Name of Remuneration Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/ No. of meetings held	出席率 Attendance rate
李晉頤先生(主席*)	Mr. Lee Jin Yi (Chairman*)	2/2	100%
Stephen Burnau Hunt先生	Mr. Stephen Burnau Hunt	1/2	50%
鄧昭平先生*	Mr. Tang Chiu Ping, Raymond*	2/2	100%
陳記煊先生	Mr. Chan Kee Huen, Michael	2/2	100%
Fritz Heinrich Horlacher先生 (於二零一一年二月十日獲委任)	Mr. Fritz Heinrich Horlacher (appointed on 10 February 2011)	1/1	100%
Robert Peter Thian先生 (於二零一一年二月十日辭任)	Mr. Robert Peter Thian (resigned on 10 February 2011)	0/1	0%

* 自二零一二年三月二十九日起，李晉頤先生不再出任薪酬委員會主席，而鄧昭平先生則獲委任為薪酬委員會主席。

* Effective 29 March 2012, Mr. Lee Jin Yi ceased to be the chairman of the Remuneration Committee and Mr. Tang Chiu Ping, Raymond has been appointed as the chairman of the Remuneration Committee.

截至二零一一年十二月三十一日止年度，薪酬委員會對執行董事及高級管理層的表现進行評估、檢討董事及高級管理層的薪酬架構／福利以及向董事會就其薪酬提供推薦建議。

During the year ended 31 December 2011, the Remuneration Committee had assessed the performance of the executive Directors and the senior management, reviewed the remuneration structure/package of the Directors and the senior management, and made recommendation to the Board on their remuneration.

執行委員會

本公司的執行委員會由兩名執行董事及三名非執行董事組成，現時由李晉頤先生擔任執行委員會主席。

Executive Committee

The Executive Committee of the Company consists of two executive Directors and three non-executive Directors. Mr. Lee Jin Yi currently serves as the chairman of the Executive Committee.

董事會已成立執行委員會並制定書面職權範圍，列明董事會賦予的職責、責任及權力。執行委員會的主要職責及責任包括審閱財務及財務相關事宜，協助制訂年度及中長期公司策略，審批新業務發展計劃及審批研發項目。

The Board has established the Executive Committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Executive Committee include reviewing the financials and financial-related matters, assisting in developing annual and medium- to long-term corporate strategies, reviewing and approving new business development plans, and reviewing and approving research and development projects.

執行委員會成員通常每月舉行會議，及時了解本集團最新的經營情況和業績表現，以及監察並確保管理階層實行董事會所訂立的方向及政策。

Executive Committee members normally meet every month to keep abreast of the latest activities and performance of the Group and to monitor and ensure that the management carries out the directions and strategies set by the Board.

企業管治報告 Corporate Governance Report

截至二零一一年十二月三十一日止年度，執行委員會舉行了十一次會議，而每位成員的出席情況如下：

The Executive Committee held eleven meetings during the year ended 31 December 2011 with the attendance of each member as follows:

執行委員會成員姓名	Name of Executive Committee members	出席會議次數／ 舉行會議次數 No. of meetings attended/No. of meetings held	出席率 Attendance rate
李晉頤先生(主席)	Mr. Lee Jin Yi (Chairman)	11/11	100%
徐軍先生	Mr. Xu Jun	11/11	100%
劉曉東先生	Mr. Liu Xiao Dong	11/11	100%
陶芳芳女士	Ms. Tao Fang Fang	11/11	100%
葉佩玲女士	Ms. Yip Pui Ling, Rebecca	10/11	91%

問責及審核

財務申報

董事知悉彼等須根據法定要求及會計標準編製本集團財務報表的責任，亦知悉彼等須確保本集團財務報表適時刊發的責任。

Accountability and Audit

Financial Reporting

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements for the Group are published in a timely manner.

香港立信德豪會計師事務所有限公司知悉其於截至二零一一年十二月三十一日止年度之綜合財務報表的核數師報告內之申報責任。

BDO Limited acknowledges its reporting responsibilities in the auditor's report on the consolidated financial statements for the year ended 31 December 2011.

董事及核數師有關財務報表的責任載列於本報告第51至52頁「獨立核數師報告」。

The Directors' and auditor's responsibilities in respect of the financial statements are set out in the "Independent Auditor's Report" on pages 51 to 52 in this report.

核數師酬金

於本年度，香港立信德豪會計師事務所有限公司獲委任為本集團核數師，任期至下屆股東週年大會結束時止。

Auditor's Remuneration

During the year, BDO Limited was appointed as the Group's auditor until the conclusion of next AGM.

於截至二零一一年十二月三十一日止年度，就香港立信德豪會計師事務所有限公司提供之核數及非核數服務而已付／應付之費用如下：

During the year ended 31 December 2011, the fees paid/payable to BDO Limited in respect of audit and non-audit services were as follows:

服務性質	Services rendered	已付／應付費用 Fee paid/payable 千美元 US\$'000
核數服務	Audit services	148
非核數服務	Non-audit services	-

企業管治報告 Corporate Governance Report

內部監控

董事會須負責本集團的內部監控系統並須負責檢討該系統的成效，包括財務、營運及合規監控。董事會致力實施有效及完善的內部監控系統以保障股東的利益及本集團的資產。

本公司已參考「企業內部控制基本規範」及「企業內部控制應用指引」進行內部監控審閱，包括所有重要監控措施（涉及財務、營運及合規監控，以及風險管理功能）。此外，管理層已經分析監控環境及風險評估，評估所實行的各個監控措施，並與董事會協定內部監控制度的檢討範圍。檢討方式包括與有關管理層及職員進行會晤、審閱有關內部監控系統的文件、對內部監控設計上任何不足之處的結果進行評估，以及提供改善建議（如適用）。

管理層已向審核委員會報告檢討結果，使其能就內部監控系統的成效進行評估。審核委員會曾舉行會議，討論調查所得，並已認可有關的檢討結果及送董事會審閱。基於所提供的資料連同其本身的觀察，並在審核委員會的協助下，董事會信納就本集團的性質及規模而言，現行內部監控及風險管理程序達滿意水準。董事會將繼續確保管理層會不時就系統及程序作適當檢討，以保持高水準的內部監控，並將於必要時對內部監控作出改變。

公司秘書

根據於二零一二年四月一日生效的上市規則修訂，公司秘書其後於各財政年度須接受不少於15小時的相關專業培訓。

Internal Control

The Board is responsible for the internal control system of the Group and has the responsibility for reviewing its effectiveness including financial, operational and compliance controls. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets.

With reference to the "Basic Standard for Enterprise Internal Control" and "Implementation Guidelines for Enterprise Internal Control" ("Enterprise Internal Control Basic Standard" and "Enterprise Internal Control Application Guidelines"), the Company has performed internal control reviews covering all the key controls including financial, operational and compliance controls and risk management functions. Also, management has analysed the control environment and risk assessment, assessed the various controls implemented and agreed with the Board on the scope of review over the system of internal controls. The approach of the review includes conducting interviews with relevant management and staff members, reviewing relevant documentation of the internal control system and evaluating findings on any deficiencies in the design of the internal controls and developing recommendations for improvement, where appropriate.

The management has reported the results of the reviews to the Audit Committee for its evaluation on the effectiveness of the system. Meetings were held by the Audit Committee to discuss the findings and the results of the reviews which were endorsed for reporting to the Board. The Board is satisfied that, based on the information supplied, coupled with its own observations and with the assistance of the Audit Committee, the present internal controls and risk management processes are satisfactory for the nature and size of the Group's operations and business. The Board will continue to ensure that appropriate review of the systems and procedures is being carried out by the management from time to time to maintain a high standard of internal control and will make appropriate changes to the internal control system, if necessary.

Company Secretary

Pursuant to the amendments to the Listing Rules which will be effective 1 April 2012, our Company Secretary shall take no less than 15 hours of relevant professional training in each financial year thereafter.

企業管治報告 Corporate Governance Report

與股東的溝通

董事認同本公司股東長期支持的重要性，故董事會非常重視股東表達觀點的權利，並對股東向本公司提供建議感到由衷感謝。

本公司的投資者關係活動包括：

- 定期與分析員及投資者舉行會議（一對一會議／小組會議、路演或實地考察）；
- 與分析員及傳媒舉行會議，宣佈公司業績；
- 舉行股東週年大會，以提供機會讓股東直接與董事會溝通；
- 按時於本公司及聯交所網站刊發公告、中期報告、年報及／或通函；及
- 於本公司網站提供本集團的最新資料。

於截至二零一一年十二月三十一日止年度，本公司之組織章程大綱及章程細則並無變動。

股東權利

本公司股東週年大會為股東提供機會，可與董事、管理層及外聘核數師會面並向他們提問。

本公司將安排董事會主席及各董事委員會的主席出席股東週年大會，與股東交流意見及解答股東問題。

只要股東的股份已記錄於本公司股東名冊，任何股東便有權出席股東週年大會，且本公司鼓勵股東出席股東週年大會。本公司將於大會舉行前最少20個完整營業日向股東發出股東週年大會通知。

於二零一一年股東週年大會，已提呈獨立決議案，包括宣佈末期股息、重選董事、續聘核數師、授權授予發行及購回股份的一般授權。所有決議案已按股數投票方式表決，並已獲股東批准。按股數投票方式表決的結果已於大會上公佈，並於本公司及聯交所網站刊發。

Communications with Shareholders

The Directors recognise the importance of long-term support from the shareholders of the Company. The Board highly respects the shareholders' rights to express their views and appreciates their suggestions to the Company.

Our investor relations activities include:

- regular meetings (one-to-one/group meetings, roadshows or site visits) with analysts and investors;
- conferences with analysts and the press to announce the Company's results;
- the holding of an AGM which provides an opportunity for the shareholders to communicate directly with the Board;
- the publication of announcements, interim reports, annual reports and/or circulars on a timely basis via the Company's and the Stock Exchange's websites; and
- the availability of the latest information of the Group on the Company's website.

There is no change in the Company's memorandum and articles of association during the year ended 31 December 2011.

Shareholder's Rights

The AGM provides opportunities for the shareholders to meet and raise questions to our Directors, the management and the external auditor.

The Company will arrange the Chairman of the Board and the respective chairman of each of the Board Committees to attend the AGM to exchange views with shareholders and answer their questions.

Any shareholder is encouraged and entitled to attend the AGM, provided that their shares have been recorded in the register of members of the Company. The notice of AGM will be given to all shareholders at least 20 clear business days before the meeting.

At the 2011 AGM, separate resolutions including declaration of final dividend, the re-election of Directors, the re-appointment of auditor, the authorisation to grant the general mandate to issue and repurchase of shares were proposed and all the resolutions were conducted by poll and approved by the shareholders. The results of the voting by poll were declared at the meeting and published on the websites of the Stock Exchange and the Company.

企業管治報告 Corporate Governance Report

股東可召開股東特別大會(「股東特別大會」)的途徑

本公司董事須應股東要求立即正式召開股東特別大會，該等股東須於提出要求當日持有附帶於本公司股東大會表決權利的不少於十分一本公司繳足股本，而不論其章程細則為何。

提出要求須列明召開會議目的，並須由要求者簽署，呈交至本公司的主要營業地點(地址為香港德輔道中189號李寶椿大廈12樓1203-4室)予公司秘書，當中或附有若干文件，如由一名或多名要求者簽署的各張表格。

有關要求將由本公司的股份過戶登記處核實，並待彼等確認該要求為恰當後，公司秘書將向董事會提出將有關決議案載入股東特別大會議程內。

如董事自提交要求當日起計二十一日內並無正式召開大會，要求者可自行召開大會，惟任何就此召開的大會須於所述日期起計兩個月內舉行。

向董事會提問的程序

問題須以書面提出並隨附提問者的聯絡資料，呈交至本公司的主要營業地點(地址為香港德輔道中189號李寶椿大廈12樓1203-4室)予公司秘書。

於股東大會動議的程序

如於股東週年大會或股東特別大會提呈議案，股東須附上該等議案的書面通知，連同詳細聯絡資料，呈交至本公司的主要營業地點(地址為香港德輔道中189號李寶椿大廈12樓1203-4室)予公司秘書。有關要求將由本公司的股份過戶登記處核實，並待彼等確認該要求為恰當後，公司秘書將向董事會提出將有關決議案載入股東大會議程內。

The way by which shareholders can convene an extraordinary general meeting ("EGM")

The Directors, notwithstanding anything in the Company's articles of association shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company having the right of voting at general meetings of the Company, forthwith proceed duly to convene an EGM.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong, and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the EGM.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of two months from the said date.

The procedures for sending enquiries to the Board

The enquiries must be in writing with contact information of the requisitionists and deposited at the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

The procedures for making proposals at Shareholders' Meetings

To put forward proposals at an AGM or EGM, the shareholders should submit a written notice of those proposals with detailed contact information to the Company Secretary at the Company's principal place of business at Suites 1203-4, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong. The request will be verified with the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting.

企業管治報告 Corporate Governance Report

就股東於股東週年大會或股東特別大會所提呈議案而給予全體股東考慮的通知期限根據議案的性質釐定如下：

- 倘議案於股東特別大會上構成一項普通決議案，最少14日書面通知(通知期包括10個營業日)。
- 倘議案於股東特別大會上構成本公司一項特別決議案或於股東週年大會上構成本公司任何一項決議案，最少21日書面通知(通知期包括20個營業日)。

投資者關係的聯絡事宜

本公司重視股東、投資者及公眾人士的反饋意見。歡迎透過以下途徑向本公司提出查詢及建議：

香港

請按以下方式聯絡我們的公司秘書：

- 電話：(852) 2828 9285
郵件：香港德輔道中189號李寶椿大廈12樓1203-4室
電郵：ir@lansen.com.cn

中國

請按以下方式聯絡我們的投資者關係部：

- 電話：(86) 755 2532 3050
郵件：中國深圳市羅湖區紅寶路139號京基100 D座1804室(郵編518001)
電郵：ir@lansen.com.cn

於本公司網站www.lansen.com.cn可提供最新的投資者關係資料。

The notice period to be given to all shareholders for consideration of the proposal raised by the shareholders concerned at an AGM or EGM varies according to the nature of the proposal, as follows:

- At least 14 days' notice (the notice period must include 10 business days) in writing if the proposal constitutes an ordinary resolution of the Company in an EGM.
- At least 21 days' notice (the notice period must include 20 business days) in writing if the proposal constitutes a special resolution of the Company in an EGM or any resolution of the Company in an AGM.

Investor Relations Contacts

The Company values feedbacks from shareholders, investors and the public. Enquiries and proposals are welcome and can be put to the Company via the following means:

Hong Kong

Please contact our Company Secretary at:

- By phone：(852) 2828 9285
By post：Suite 1203-4, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong
By e-mail：ir@lansen.com.cn

The PRC

Please contact our Investor Relations Department at:

- By phone：(86) 755 2532 3050
By post：Room 1804, Tower D, KK100, 139 Hongbao Road, Luohu District, Shenzhen, PRC (Post code 518001)
By e-mail：ir@lansen.com.cn

The latest investor relations information is available on the Company's website at www.lansen.com.cn.