

[Immediate Release]



Winners of Hong Kong Corporate Governance Excellence Awards 2008 Announced

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CHKLC Urges Companies to Implement
Robust Corporate Governance Framework

(Hong Kong, December 3, 2008) The current global financial crisis has highlighted the urgency and importance of adopting good corporate governance practices in today's business world, according to the Chamber of Hong Kong Listed Companies (CHKLC), a leading industry body that promotes best corporate practices among Hong Kong listed firms.

By implementing the best practices in corporate governance, the events that have led to the financial meltdown around the world might be prevented from happening again in the future, says Mr Lawrence Ho, Chairman of CHKLC.

"A robust corporate governance framework can prove to be the cure for some of the problems that have caused the recent spate of high-profile fiascos in the corporate world in Hong Kong and abroad," says Mr Ho.

"Companies in particular need to build commitment and leadership at senior levels to develop a strong culture that respects shareholders rights and takes social costs into account when making decisions," he adds. "There is a need for strong internal control, risk assessment and proper check-and-balance in all public companies, and for them to improve on the standards of compliance, reporting and transparency."

Mr. Ho made the above comments at the Hong Kong Corporate Governance Excellence Awards 2008. When announcing the awards, Mr. Ho says other companies should take heed of the corporate governance best practices adopted by the winning companies. The best practices are:

- 1) Develop a code of conduct for directors and senior managers that requires them to conduct their business with integrity and honesty, and be accountable for their actions.
- 2) Implement internal control and risk management systems that can present early warning of risks; develop well-documented operational guidelines and risk assessment and monitoring systems
- 3) Put in place proper checks-and-balances to minimize risks and uphold accountability to reduce reckless behaviours of managers
- 4) Adhere to prompt and adequate disclosure; maintain high transparency and openness both internally and externally, and take immediate remedial actions if mistakes are discovered
- 5) Introduce a reasonable compensation system for senior management that is not emphasizing short term business results but business sustainability
- 6) Move away from focusing entirely on immediate company benefits but embraces interests of all stakeholders to achieve an all-win situation

"Now is the time companies reflect on their core values and search for the best ways to adopt the practices to bring about not only tangible business results, but also the common good," he says.

Dr. Anthony Neoh, Chairman of the Judging Panel of the Hong Kong Corporate Governance Excellence Awards 2008, comments on this year's award: "Companies that entered the final rounds are all companies whose directors and management have obviously endeavoured to implement a system of corporate governance envisaged by relevant rules and best practices issued by relevant domestic and international bodies. It has not been easy to give awards."

The winners of this year's Citi Award for Corporate Governance Excellence are (in order of stock code):

Category for Hang Seng Index Companies

China Construction Bank Corporation (939)

The China Shenhua Energy Company Limited (1088)

The Industrial and Commercial Bank of China Limited (1398)

Ping An Group of China Limited (2388)

Honourable Mention: CNOOC Limited (883)

Category for Hang Seng Composite Index Companies

Honourable Mention: China Railways Group Limited (390)

Category for Other Main Board and GEM Board Companies

Giordano International Limited (408)

Yip's Chemical Holdings Limited (709)

Shui On Construction and Materials Limited (983)

The Hong Kong Corporate Governance Excellence Awards 2008 are title-sponsored by Citi. Mr. Shengman Zhang, Citi Country Officer for Hong Kong says: "Citi is committed to sound corporate governance practices. As part of our established company policy, everyone in Citi has an important part to play in ensuring high standards in good corporate governance, providing our advice, products and services with the highest level of integrity, respect for the local culture and taking an active role in the communities where we work and live. We are pleased to support the development of best practices in corporate governance through the Hong Kong Corporate Governance Excellence Awards. "

An Award Presentation Ceremony Gala Dinner would be held to honour the winning companies on the evening of December 3, 2008. The gala dinner would be officiated by two Guests-of-Honour: Ms. Guo Li, Deputy Director, Liaison Office of the Central People's Government in the HKSAR, and Ms. Julia Leung, Under Secretary for Financial Services and the Treasury, the Government of HKSAR.

Professor Fan Gang, Secretary-General, China Reform Foundation and Director, National Economic Research Institute would deliver a keynote speech on "China Confronts the Global Meltdown".

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About the Hong Kong Corporate Governance Excellence Awards 2008

The Hong Kong Corporate Governance Excellence Awards are conferred annually since 2007 and are designed to encourage improvement in corporate governance (CG) of listed companies in Hong Kong by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University.

The award programme provides recognition and prestige for listed companies in achieving outstanding commitment to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence & leadership, and corporate social responsibility.

Hong Kong Corporate Governance Excellence Awards 2008 is sponsored by Citi as Title Sponsor, Richards Butler in association with Reed Smith as Silver Sponsor, American International Underwriters, Limited and Mayer Brown JSM as Bronze Sponsors, Grant Thornton as Champagne Sponsor, Hong Kong Economic Journal as Sole Chinese Newspaper Sponsor and irasia.com as Online Media Partner.

For enquiries, please contact:

Chamber of Hong Kong Listed Companies

Amy Leung Tel: 852-2970 0886 Email: amyleung@chkcl.org

Hill and Knowlton Asia Ltd:

Carol Mak Tel: 852-2894 6283 Email: carol.mak@hillandknowlton.com.hk

Agnes Suen Tel: 852-2894 6251 Email: agnes.suen@hillandknowlton.com.hk