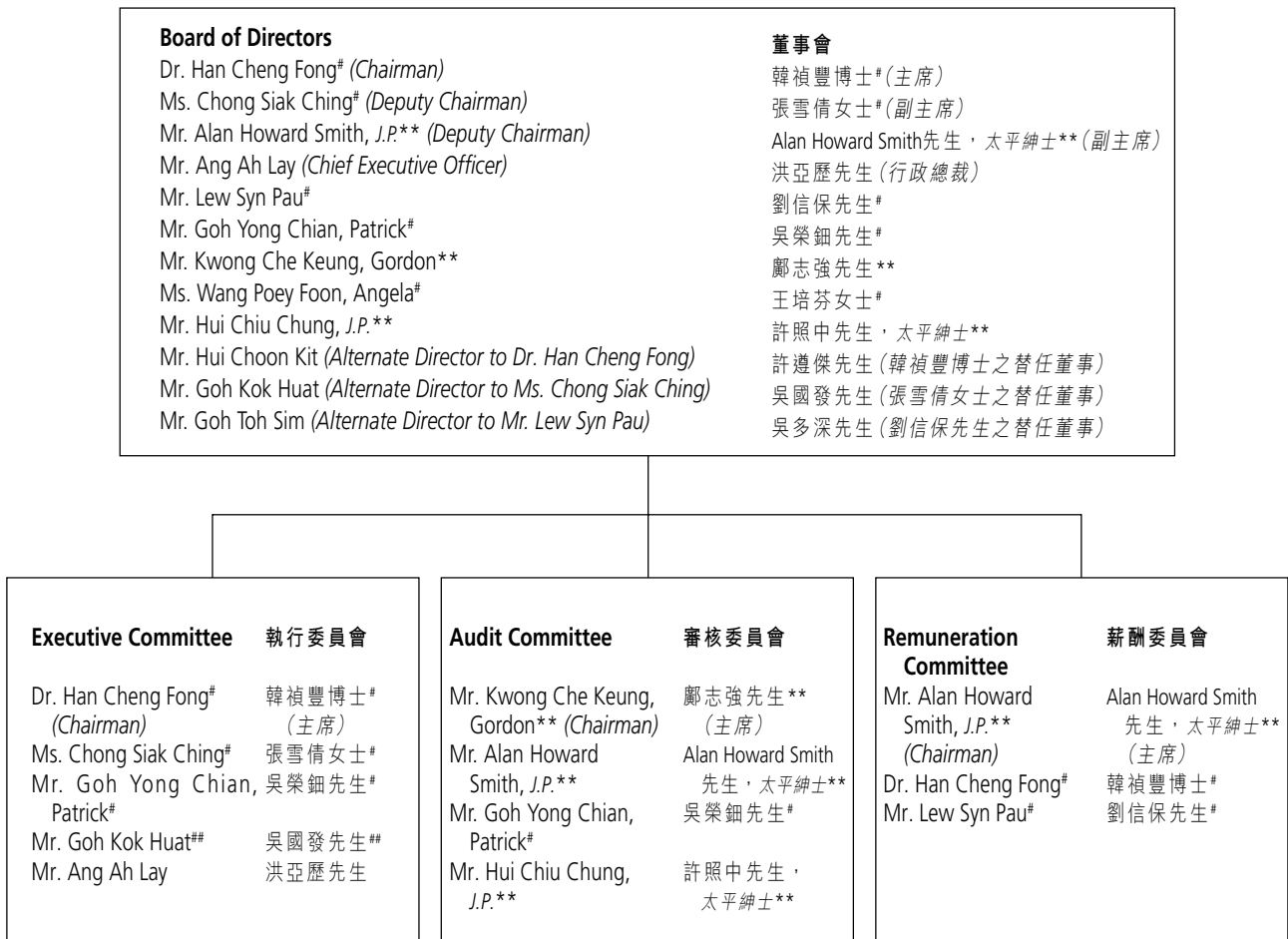


The Company is committed to maintain a high standard of corporate governance practices and has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

本公司致力維持優質企業管治，並於年內一直遵守上市規則附錄14所載之最佳應用守則。

The following chart illustrates the Company's corporate governance structure:

本公司之企業管治架構如下圖示：



Non-executive Directors

** Independent Non-executive Directors

Alternate Director

非執行董事

** 獨立非執行董事

替任董事

Board of Directors

The Board of Directors currently comprises an executive director and eight non-executive directors, three of whom are independent non-executive directors. Five full board meetings were held in 2004. The Board of Directors is responsible for ensuring continuity of leadership, development of sound business strategies, availability of adequate capital and managerial resources to implement the business strategies adopted, adequacy of systems of financial and internal controls and conduct of business in conformity with applicable laws and regulations.

Executive Committee

The Executive Committee of the Board of Directors of the Company was formed in April 2001. It comprises five directors, three of whom are non-executive directors and one is an alternate director. The Committee establishes the strategic directions of the Company and monitors the performance of management. Four meetings of the Committee were held in 2004.

Audit Committee

The Audit Committee was established by the Board of Directors in August 2001 and it comprises four non-executive directors, three of whom are independent non-executive directors. Two meetings of the Committee were held in 2004 and the external auditors were in attendance.

The terms of reference of the Audit Committee include the following:

Membership

1. The Audit Committee (the "Committee") shall be appointed by the Board of Directors (the "Board") from amongst the Non-executive Directors of the Company and shall consist of not less than three members, a majority of whom should be independent. A quorum shall be two members.
2. The Chairman of the Committee shall be appointed by the Board and should be an independent director.

董事會

董事會之現有成員包括一名執行董事及八名非執行董事(其中三名為獨立非執行董事)。董事會於二零零四年已舉行五次全體董事會議。董事會負責確保領導層之連續性，設定卓越之業務策略，確保資金和管理資源足以應付業務策略之推行，並確保財務及內部監控制度健全，及業務運作符合適用之法律及規例。

執行委員會

本公司之董事會執行委員會乃於二零零一年四月成立。執行委員會由五名董事(其中三名為非執行董事，一名為替任董事)組成。該委員會制定本公司之策略性方向及監察管理層之表現。於二零零四年已舉行四次委員會會議。

審核委員會

審核委員會乃於二零零一年八月由董事會設立，其成員包括四名非執行董事，其中三名為獨立非執行董事。二零零四年已舉行兩次委員會會議，而外聘核數師亦有出席會議。

審核委員會之職權範圍包括下列各項：

成員

1. 審核委員會(「委員會」)須由董事會(「董事會」)從本公司非執行董事中委任，並須由不少於三名成員組成，當中大多數須為獨立非執行董事。會議法定人數為兩人。
2. 委員會主席須由董事會委任，並須為獨立董事。

Audit Committee (continued)**Attendance at meetings**

3. The chief financial officer, the department head responsible for internal audit, if any, and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance.
4. The company secretary shall be the secretary of the Committee. In the absence of the company secretary in any meeting of the Committee, Committee shall appoint a nominee act as the secretary of the meeting of the Committee.

Frequency of meetings

5. Meetings shall be held not less than twice a year. The external auditors or any members of the committee may request a meeting if they consider that one is necessary.

Authority

6. The Committee is authorised by the Board, subject to prior discussion concerning the cost, to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

審核委員會 (續)**出席會議**

3. 財務總監、負責內部審核之部門主管(如有)及外聘核數師一般須出席會議。其他董事會成員亦有權出席。
4. 公司秘書為委員會秘書。倘公司秘書於任何委員會會議缺席，委員會須委任一名代名人擔任委員會會議秘書。

會議舉行次數

5. 每年不得舉行少於兩次會議。倘外聘核數師或委員會任何成員認為需要時，可要求舉行會議。

權力

6. 委員會獲董事會授權(須事先就成本作出討論)可於其書面職權範圍內調查任何活動。委員會獲授權可向任何僱員索取任何所需資料，而所有僱員對委員會之要求須予合作。
7. 委員會獲董事會授權可取得外間法律或其他獨立專業意見，並於其認為必須時保薦具備相關經驗及專業知識之外間人士出席會議。

Audit Committee (continued)**Duties**

8. The duties of the Committee shall be:

Relationship with the auditors

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services. For this purpose, external auditor shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally;

Review of financial information

- (d) to monitor integrity of financial statements and the annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;

審核委員會 (續)**職責**

8. 委員會之職責為：

與核數師的關係

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (b) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- (c) 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，外聘核數師包括與負責核數的公司處於同一控制權、所有權或管理權之下的任何機構，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該負責核數的公司的本土或國際業務的一部分的任何機構；

審閱的財務資料

- (d) 監察財務報表及年度報告及賬目、半年度報告及(若擬刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；

Audit Committee (continued)**Duties (continued)**

- (e) In regard to (d) above:–
- (i) members of the committee must liaise with the Board, senior management and the person appointed as the qualified accountant and the committee must meet, at least once a year, with the auditors; and
 - (ii) the committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the qualified accountant, compliance officer or auditors;

Oversight of the financial reporting system and internal control procedures

- (f) to review the financial controls, internal control and risk management systems;
- (g) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system;
- (h) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing, and to review and monitor the effectiveness of the internal audit function;
- (j) to review the group's financial and accounting policies and practices;

審核委員會 (續)**職責 (續)**

- (e) 就上述(d)項而言：–
- (i) 委員會成員須與董事會、高層管理人員及獲委聘為合資格會計師的人士聯絡。委員會須至少每年與核數師開會一次；及
 - (ii) 委員會應考慮於該等報告及賬目中所反映或需反映的任何重大或不尋常事項，並須適當考慮任何由合資格會計師、監察主任或核數師提出的事項；

監管財務申報制度及內部監控程序

- (f) 檢討財務監控、內部監控及風險管理制度；
- (g) 與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；
- (h) 主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層的回應進行研究；
- (i) 如公司設有內部核數功能，須確保內部和外聘核數師的工作得到協調；也須確保內部核數功能有足夠資源運作，並且有適當的地位；以及檢討及監察內部核數功能是否有效；
- (j) 檢討集團的財務及會計政策及實務；

Audit Committee (continued)**Duties (continued)**

- (k) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters set out in this code provision;
- (n) to consider other topics, as defined by the Board;
- (o) to review arrangements by which employees, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; and
- (p) to act as the key representative body of the Board for overseeing the relation with the external auditor.

Reporting procedures

9. The secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

審核委員會 (續)**職責 (續)**

- (k) 檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；
- (l) 確保董事會及時回應於外聘核數師給予管理層的《審核情況說明函件》中提出的事宜；
- (m) 就本守則條文所載的事宜向董事會匯報；
- (n) 研究其他由董事會界定的課題；
- (o) 檢討本公司設定的以下安排：僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。審核委員會應確保有適當安排，讓此等事宜可作出公平獨立的調查及採取適當行動；及
- (p) 擔任董事會的主要代表，負責監察與外聘核數師之間的關係。

匯報呈序

9. 秘書須向董事會全體成員傳閱會議紀錄及委員會報告。

Remuneration Committee

In October 2002, the Remuneration Committee of the Board of Directors (“Remuneration Committee”) was formed to replace the Management Development and Compensation Committee of the Board of Directors which was formed in April 2001. The Remuneration Committee comprises Mr. Alan Howard Smith, *J.P.* (Chairman), Dr. Han Cheng Fong and Mr. Lew Syn Pau. The objectives of the Remuneration Committee are to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate directors and key executives to run the Company successfully. The Remuneration Committee ensures that the remuneration policies and systems of the Group support the Group’s objectives and strategies. The Committee held two meetings in 2004.

The terms of reference of the Remuneration Committee include the following:

1. to make recommendations to the Board on the policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
2. to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors;
3. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

薪酬委員會

董事會薪酬委員會（「薪酬委員會」）於二零零二年十月成立，以取代於二零零一年四月成立之董事會管理發展及補償委員會。薪酬委員會由 Alan Howard Smith 先生（*太平紳士*）（主席）、韓禎豐博士及劉信保先生組成。薪酬委員會之宗旨為建立及維持適當而具競爭力的薪酬水平，以吸引、挽留及鼓勵董事及行政要員，藉此帶領本公司邁向成功。薪酬委員會將確保本集團之薪酬政策及制度均支持本集團之目標及策略。該委員會於二零零四年已舉行兩次會議。

薪酬委員會之職權範圍包括下列各項：

1. 就董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議；
2. 獲董事會轉授以下職責，即釐定全體執行董事及高級管理人員的特定薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償），並就非執行董事的薪酬向董事會提出建議；
3. 透過參照董事會不時通過的公司目標，檢討及批准按表現而釐定的薪酬；

Remuneration Committee (continued)

4. to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive;
5. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
6. to ensure that no director or any of his associates is involved in deciding his own remuneration.

Relations with Shareholders

The Company's Annual General Meeting provides a good opportunity for communication between the Board of Directors and the Company's shareholders. Notice of the Annual General Meeting and related papers are sent to shareholders at least 21 calendar days before the meeting. It is well participated by the shareholders of the Company.

Website

The Company's information is accessible to all via the Internet. Besides providing the interim and annual reports and the press releases, the Company's website also includes the most updated information on the Company.

薪酬委員會(續)

4. 檢討及批准向執行董事及高級管理人員支付那些與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不會造成過重負擔；
5. 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理適當；及
6. 確保任何董事或其任何聯繫人不得自行釐定薪酬。

股東關係

本公司之股東週年大會為董事會與本公司之股東提供溝通良機。股東週年大會通告及有關文件於大會舉行日期前最少二十一個曆日寄予股東。股東週年大會獲本公司股東踴躍出席。

網頁

任何人士均可透過互聯網查閱本公司之資料。除提供中期報告、年報及新聞稿等傳統資料外，本公司之網頁亦提供本公司其他最新資訊。