



"Strict corporate governance is the foundation for outstanding business operation"

We have been committed to maximizing shareholder value since our listing. In 2002, we strictly complied with our corporate governance policy, and made sure that all decisions were based on trust, fairness, compliance and transparency, so as to protect the interests of our shareholders as a whole.

### Board of Directors

Our Board of Directors ("Board") comprises nine members, including four independent non-executive directors who had no previous affiliation with the Company. The diversified composition of the Board provides suitable and necessary balance and supervision for the Company to make major decisions.

The Board holds three regular annual meetings, and extraordinary meetings will be held if required. Events that require all board members to vote include conflict of interest on any matter that involves a major shareholder or a director, major asset acquisitions/disposals, investments, capital expenditure items, determination of authority, treasury policy, risk management and important personnel changes to the management.

In 2002, two members of the Company's International Advisory Board, Dr. Kenneth S. Curtis and Dr. Erwin Schurtenberger, were appointed independent non-executive directors of the Company. With the appointment of two world-renowned professionals, the Company is set to enhance its efforts in corporate governance and the protection of our shareholders' interests.

With an aim to strengthening the Company's corporate governance, the Company established the Audit Committee and the Remuneration Committee in 1999 and 2001, respectively. The two committees consist of independent non-executive directors only.

### Audit Committee

Formed by two independent non-executive directors, the Audit Committee is responsible for reviewing the completeness, accurateness and fairness of the Company's accounts, and evaluating the Company's auditing scope and procedures, as well as internal control systems. The committee is also responsible for setting up internal monitoring systems, so as to allow the Board to monitor the Group's entire financial position, protect the Group's assets, and prevent major mistakes resulting from financial reporting or loss. The Board will be responsible for these systems and appropriate delegations and guidance have been made.

### Remuneration Committee

With three independent non-executive directors, the Remuneration Committee is responsible for reviewing information pertaining to all manager's bonuses, share option plans and performance appraisal systems.

### Striving for better transparency and communication with investors

We also have an investor relations department that ensures all investors can receive the Company's information in a timely manner. In addition to providing interim results and annual results to our shareholders and investors in accordance with the related laws and regulations, we also report on any major developments through press releases, announcements and the Company's website.

