



購買、贖回或出售本公司之上市證券

於截至二零零四年六月三十日止六個月內（「本期間」），本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

董事權益

董事所持本公司購股權之權益於下文「購股權計劃」一節中另行披露。

於二零零四年六月三十日，本公司之董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有(i)根據證券及期貨條例第XV部第7及第8分部，須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益（包括根據證券及期貨條例之條文，董事及主要行政人員被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條，須列入本公司存置之登記冊中之權益；或(iii)根據聯交所證券上市規則（「上市規則」）所載之上市發行人董事進行證券交易的標準守則（「標準守則」），須知會本公司及聯交所之權益如下：

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2004 (the "Period").

INTERESTS OF DIRECTORS

The interests of the directors in the share options of the Company are separately disclosed in the section headed "Share option scheme" below.

As at 30 June 2004, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors or the chief executives were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:





董事權益 (續)

INTERESTS OF DIRECTORS (continued)

於本公司普通股之好倉

Long positions in ordinary shares of the Company

董事名稱 Name of directors	所持普通股數目 Number of ordinary shares held	身份 Capacity	權益性質 Nature of interest	約佔已發行股本之百分比 Approximate % of issued share capital held
李黑虎 Li Hei Hu	35,000,000	實益擁有人 beneficial owner	個人 personal	0.31%
陳潮 Chen Chao	30,000,000	實益擁有人 beneficial owner	個人 personal	0.26%
李景奇 Li Jing Qi	30,000,000	實益擁有人 beneficial owner	個人 personal	0.26%
喬剛 Qiao Gang	15,000,000	實益擁有人 beneficial owner	個人 personal	0.13%
劉軍 Liu Jun	25,000,000	實益擁有人 beneficial owner	個人 personal	0.22%
杜志強 To Chi Keung, Simon	15,000,000	實益擁有人 beneficial owner	個人 personal	0.13%

於相聯法團股份之好倉

Long position in shares of an associated corporation

深圳高速公路股份有限公司

Shenzhen Expressway Company Limited

董事名稱 Name of director	所持H股數目 Number of H shares held	身份 Capacity	權益性質 Nature of interest	約佔已發行股本之百分比 Approximate % of issued share capital held
劉軍 Liu Jun	100,000	實益擁有人 beneficial owner	個人 personal	0.01%





董事權益 (續)

除上文所披露者外，於二零零四年六月三十日，本公司之董事及主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有(i)根據證券及期貨條例第XV部第7及第8分部，須知會本公司及聯交所之權益（包括根據證券及期貨條例之條文，董事被當作或視為擁有之權益及淡倉）；或(ii)根據證券及期貨條例第352條，須列入本公司存置之登記冊中之權益；或(iii)根據標準守則須知會本公司及聯交所之權益。

購股權計劃

本公司曾設立一項購股權計劃（「已屆滿計劃」），以鼓勵及獎勵對本集團之業務成果有所貢獻之合資格參與人士。已屆滿計劃之有效日期為由一九九四年四月十六日起至二零零四年四月十五日止十年，合資格參與人士包括本公司或其附屬公司之任何僱員或董事。

INTERESTS OF DIRECTORS (continued)

Save as disclosed above, as at 30 June 2004, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors or the chief executives were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company had operated a share option scheme (the "Expired Scheme") for 10 years from 16 April 1994 to 15 April 2004 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Expired Scheme include any employees or directors of the Company or its subsidiaries.





購股權計劃 (續)

下表載列根據已屆滿計劃授出但尚未行使之購股權於本期間內變動之詳情：

SHARE OPTION SCHEME (continued)

The following table lists the details of the outstanding share options which were granted under the Expired Scheme and their movements during the Period:

參與人士之 姓名及類別 Name and category of participant	購股權數目 Number of share options					購股權 授出日期* Date of grant of share options*	購股權 行使期 Exercise period of share options	購股權 行使價** Exercise price of share options** 港幣元 HK\$	本公司之股份價格*** Price of the Company's shares***	
	於二零零四年 一月一日 As at 1 January 2004	本期間內 授出 Granted during the Period	本期間內 行使 Exercised during the Period	本期間內 註銷/ 失效 Cancelled/ lapsed during the Period	於二零零四年 六月三十日 As at 30 June 2004				於購股權 授出日期 As at date of grant of share options 港幣元 HK\$	於購股權 行使日期 As at date of exercise of share options 港幣元 HK\$
董事 Directors										
李黑虎先生 Mr. Li Hei Hu	35,000,000	-	35,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
陳 潮先生 Mr. Chen Chao	30,000,000	-	30,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
李景奇先生 Mr. Li Jing Qi	30,000,000	-	30,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
喬 剛先生 Mr. Qiao Gang	15,000,000	-	15,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
孫玉麟先生# Mr. Sun Yu Lin #	15,000,000	-	15,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
杜志強先生 Mr. To Chi Keung, Simon	15,000,000	-	15,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.335
黃傳奇先生# Mr. Huang Chuan Qi #	15,000,000	-	-	15,000,000	-	二零零二年 七月十七日 17 July 2002	二零零二年 八月十八日 至二零零四年 四月十五日 18 August 2002 to 15 April 2004	0.336	0.315	不適用 N/A
劉 軍先生## Mr. Liu Jun ##	25,000,000	-	25,000,000	-	-	二零零零年 十二月二十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.350
	180,000,000	-	165,000,000	15,000,000	-					





購股權計劃 (續)

SHARE OPTION SCHEME (continued)

參與人士之 姓名及類別 Name and category of participant	購股權數目 Number of share options					購股權 授出日期* Date of grant of share options*	購股權 行使期 Exercise period of share options	購股權 行使價** Exercise price of share options** 港幣元 HK\$	本公司之股份價格*** Price of the Company's shares***	
	於二零零四年 一月一日 As at 1 January 2004	本期間內 授出 Granted during the Period	本期間內 行使 Exercised during the Period	本期間內 註銷/ 失效 Cancelled/ lapsed during the Period	於二零零四年 六月三十日 As at 30 June 2004				於購股權 授出日期 As at date of grant of share options 港幣元 HK\$	於購股權 行使日期 As at date of exercise of share options 港幣元 HK\$
	其他僱員 Other employees									
合計 In aggregate	40,200,000	-	40,200,000	-	-	二零零零年 十二月三十一日 21 December 2000	二零零一年 一月二十二日 至二零零四年 四月十五日 22 January 2001 to 15 April 2004	0.272	0.290	0.365
	2,000,000	-	2,000,000	-	-	二零零一年 五月十八日 18 May 2001	二零零一年 六月十九日 至二零零四年 四月十五日 19 June 2001 to 15 April 2004	0.308	0.400	0.350
	4,300,000	-	4,100,000	200,000	-	二零零二年 二月五日 5 February 2002	二零零二年 三月六日 至二零零四年 四月十五日 6 March 2002 to 15 April 2004	0.310	0.300	0.360
	4,500,000	-	4,300,000	200,000	-	二零零二年 七月十七日 17 July 2002	二零零二年 八月十八日 至二零零四年 四月十五日 18 August 2002 to 15 April 2004	0.336	0.315	0.393
	51,000,000	-	50,600,000	400,000	-					
	231,000,000	-	215,600,000	15,400,000	-					





購股權計劃 (續)

- # 孫玉麟先生及黃傳奇先生均已於二零零四年三月二十六日辭任本公司非執行董事。
- ## 劉軍先生於二零零四年五月二十四日獲委任為本公司執行董事。授予劉先生之購股權於本期內由「其他僱員」中重新分類。
- * 購股權之授權期為一個月。
- ** 如進行供股、發行紅股或本公司股本有任何類似之變動，購股權之行使價可予調整。
- *** 所披露之購股權授出日期之本公司股份價格，為其於緊接購股權授出日期前之交易日於聯交所報之收市價。而所披露之購股權行使日期之本公司股份價格，則為其於緊接所披露類別之購股權獲行使當日前一日之加權平均收市價。

直至購股權獲行使以前，所授出之購股權在財務方面之影響並未記錄在本公司或本集團之資產負債表中，而有關之成本亦不會記錄在損益表或資產負債表中。於購股權獲行使時，本公司將因而發行之股份按股份面值記錄為新增股本，而每股行使價超逾股份面值之款額，本公司將其記錄於股份溢價賬中。於行使日期前失效或作廢之購股權，將從尚未行使購股權登記冊中刪除。

已屆滿計劃於二零零四年四月十五日日期滿後，本公司股東已於二零零四年四月三十日舉行的股東特別大會上批准及採納了一項新購股權計劃（「新計劃」）。新計劃的設立，目的是嘉許、推動及鼓勵對本集團作出貢獻的合資格參與者。新計劃將推動參與者提升其表現及效率，並吸引及挽留對本集團的長遠發展以及盈利能力作出重要貢獻的參與者。合資格參與者包括(a)本集團之任何全職僱員；(b)本集團、聯營公司及共同控權合資公司之任何董事（包括執行、非執行或獨立非執行董事）；及(c)本公司之任何主要股東。

於本期內，本公司並無根據新計劃授出任何購股權。

SHARE OPTION SCHEME (continued)

- # Both Mr. Sun Yu Lin and Mr. Huang Chuan Qi resigned as non-executive directors of the Company on 26 March 2004.
- ## Mr. Liu Jun was appointed as an executive director of the Company on 24 May 2004. The options granted to Mr. Liu were reclassified from “Other employees” during the Period.
- * The vesting period of the share options was one month.
- ** The exercise price of the share options was subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** The price of the Company's shares disclosed as at the date of the grant of the share options was the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed as at the date of the exercise of the share options was the weighted average closing price of the shares immediately before the date on which the share options within the disclosure category were exercised.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are lapsed or cancelled prior to their exercise date are deleted from the register of outstanding share options.

Upon the expiration of the Expired Scheme on 15 April 2004, a new share option scheme (the “New Scheme”) was approved and adopted by the shareholders of the Company at a special general meeting held on 30 April 2004. The New Scheme is established to recognise, motivate and provide incentives to eligible participants who make contributions to the Group. The New Scheme will motivate the participants to optimise their performance and efficiency, and attract and retain the participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants include (a) any full-time employees of the Group; (b) any directors (including executive, non-executive or independent non-executive directors) of the Group, associated companies and jointly-controlled entities of the Group; and (c) any substantial shareholders of the Company.

No share options has been granted under the New Scheme during the Period.





主要股東權益

於二零零四年六月三十日，就本公司董事及主要行政人員所知，以下人士（不包括本公司董事及主要行政人員）擁有本公司之股份及相關股份之權益或持有有關之淡倉而須按證券及期貨條例第XV部第2及第3分部之條文向本公司披露，或直接或間接擁有附有各情況下均可在本集團任何成員之股東大會上行使投票權之任何類別股本面值5%或以上之權益，而各股東於有關證券之權益數額或任何於該等股本之認購權載列如下：

於本公司普通股之好倉

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, so far as is known to any directors or chief executives of the Company, the following persons (other than the directors and chief executives of the Company) had interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Long positions in ordinary shares of the Company

股東名稱 Name of shareholders	身份 Capacity	所持 普通股數目 Number of ordinary shares held	股份所佔總數 百分比 Percentage of total number of shares
52 深圳市投資管理公司（「深圳投資」） — 附註(1) Shenzhen Investment Holding Corporation (“SIHC”) — Note (1)	受控制公司之權益 Interest of controlled corporations	4,963,684,042	43.42%
Ultrarich International Limited （“Ultrarich”）	實益擁有人 Beneficial owner	4,836,363,636	42.30%
李嘉誠 — 附註(2)及(3) Li Ka Shing — Notes (2)&(3)	全權信託之成立人 及受控制公司之權益 Founder of discretionary trusts and interest of controlled corporations	803,485,000	7.03%
Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) — 附註(2)及(3) — Notes (2)&(3)	信託人及信託受益人 Trustee and beneficiary of a trust	803,485,000	7.03%
Li Ka-Shing Unity Trustcorp Limited (“TDT2”) — 附註(2)及(3) — Notes (2)&(3)	信託人及信託受益人 Trustee and beneficiary of a trust	803,485,000	7.03%





主要股東權益 (續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (continued)

於本公司普通股之好倉 (續)

Long positions in ordinary shares of the Company (continued)

股東名稱 Name of shareholders	身份 Capacity	所持 普通股數目 Number of ordinary shares held	股份所佔總數 百分比 Percentage of total number of shares
Li Ka-Shing Unity Trustee Company Limited (“TUT1”) — 附註(2)及(3) — Notes (2)&(3)	信託人 Trustee	803,485,000	7.03%
長江實業(集團)有限公司(「長實」) — 附註(2)及(3) Cheung Kong (Holdings) Limited (“CKH”) — Notes (2)&(3)	受控制公司之權益 Interest of controlled corporations	803,485,000	7.03%

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附註：

Notes:

(1) Ultrarich為深圳投資之全資附屬公司，故深圳投資被視作擁有上文所披露Ultrarich 持有之4,836,363,636股股份。深圳投資擁有之其餘股份權益乃由深圳投資另一全資附屬公司擁有。除4,963,684,042股股份外，深圳投資並持有本公司之可換股票據，如深圳投資悉數行使有關之換股權，可轉換為904,109,589股本公司股份。

(1) Ultrarich is a wholly-owned subsidiary of SIHC and accordingly SIHC was deemed to be interested in the 4,836,363,636 shares owned by Ultrarich as disclosed above. The balance of the shares in which SIHC was interested, were owned by another wholly-owned subsidiary of SIHC. Apart from the 4,963,684,042 shares in the Company, SIHC also holds a convertible note which will be converted into 904,109,589 shares in the Company if SIHC exercises the right of conversion in full.

(2) 該等本公司之股份包括：

(2) Such shares in the Company comprise:

(a) 由 Starcom Venture Limited (「Starcom」) 持有之266,835,000股股份，而Starcom為長實全資擁有之附屬公司Cheung Kong Investment Company Limited之全資附屬公司；及

(a) The 266,835,000 shares held by Starcom Venture Limited (“Starcom”), a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH; and

(b) 由 Campsie Developments Limited (「Campsie」) 持有之536,650,000股股份，而Campsie為和記黃埔有限公司(「和黃」)全資擁有之附屬公司Hutchison International Limited之全資附屬公司。

(b) The 536,650,000 shares held by Campsie Developments Limited (“Campsie”), a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited (“HWL”).





主要股東權益 (續)

於本公司普通股之好倉 (續)

附註：(續)

- (3) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有 Li Ka-Shing Unity Holdings Limited (「Unity Holdings」) 三分之一已發行股本，而該公司則擁有 TUT1 之全部已發行股本。TUT1 以 The Li Ka-Shing Unity Trust (「UT1」) 信託人之身份，連同若干公司合共持有長實三分之一以上之已發行股本，而 TUT1 以 UT1 信託人之身份有權在該等公司之股東大會上行使或控制行使三分之一以上之投票權。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。

此外，Unity Holdings 亦擁有 TDT1 (The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人) 以及 TDT2 (另一項全權信託 (「DT2」) 之信託人) 之全都已發行股本。TDT1 及 TDT2 均持有 UT1 之信託單位。

根據證券及期貨條例，李嘉誠先生 (身為財產授予以及就證券及期貨條例而言可能被視為 DT1 及 DT2 之成立人)、TDT1、TDT2、TUT1 及長實均被視為擁有由 Starcom 及 Campsie 所持有之合共 803,485,000 股本公司股份之權益。

除上文披露者外，於二零零四年六月三十日，並無任何其他人士 (不包括本公司董事及主要行政人員) 知會本公司其擁有本公司股份及相關股份之權益或持有有關之淡倉，而須按證券及期貨條例第 XV 部第 2 及第 3 分部之條文向本公司披露，亦無任何其他人士直接或間接擁有附有在各情況下均可在本集團任何成員之股東大會上行使投票權之任何類別股本面值 5% 或以上之權益，或任何該等股本之認購權。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (continued)

Long positions in ordinary shares of the Company (continued)

Notes: (continued)

- (3) Li Ka-Shing Unity Holdings Limited ("Unity Holdings"), of which each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of TUT1, TUT1 as trustee of The Li Ka-Shing Unity Trust ("UT1"), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH. Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

In addition, Unity Holdings also owns the entire issued share capital of TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and TDT2 as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in UT1.

By virtue of the SFO, each of Mr. Li Ka-Shing (being the settlor and may being regarded as a founder of DT1 and DT2 for the purpose of the SFO), TDT1, TDT2, TUT1 and CKH was deemed to be interested in the aggregate 803,485,000 shares of the Company held by Starcom and Campsie.

Save as disclosed above, as at 30 June 2004, the Company has not been notified by any persons (other than directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.





最佳應用守則

各董事認為，本公司於本期間內一直遵守上市規則附錄十四所載之最佳應用守則（「該守則」）之規定。然而，本公司之非執行董事及獨立非執行董事並無根據該守則第七段之要求，按指定之任期委任，惟根據本公司之公司細則，彼等須於本公司之股東周年大會上輪值退任及膺選連任。

標準守則

本公司已採納一套有關董事進行證券交易之行為守則，該守則之條款不低於標準守則所要求之標準。各董事於本期間內一直遵守標準守則。

審核委員會

本公司之審核委員會於一九九五年成立。於制定及採納審核委員會之職權及責任的職權範圍書時，董事已參照香港會計師公會頒佈之「成立審核委員會指引」。

審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會亦負責審核及監察集團的財務匯報及檢討公司外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由三位獨立非執行董事組成，包括梁銘源先生（主席）、丁迅先生及王獻平先生。王獻平先生於二零零四年四月三十日舉行的本公司股東週年大會結束時，退任本公司董事後，審核委員會剩下兩名成員。於二零零四年八月十六日，聶潤榮先生獲委任為本公司獨立非執行董事以及審核委員會成員。於本期間內，審核委員會舉行了一次會議。

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the Period, except that the non-executive directors and independent non-executive directors of the Company were not appointed for specific terms as required under paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Bye-laws of the Company.

MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by the directors of the Company on terms no less exacting than the required standard set out in the Model Code. The directors of the Company have complied with the Model Code during the Period.

AUDIT COMMITTEE

The Company established the Audit Committee in 1995. In establishing and adopting the terms of reference of the Audit Committee, the directors have had regard to the “Guide for the Formation of an Audit Committee” issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee performs the key link between the board of directors and the Auditors of the Company in respect of the audit works of the Group. The Audit Committee is also responsible for the review and supervision of the financial reporting of the Group as well as the review of the efficiency of the external audit works, internal control and risk evaluation of the Company. The Audit Committee comprises three independent non-executive directors, namely Mr. Leung Ming Yuen, Simon (Chairman), Mr. Ding Xun and Mr. Wang Xian Ping. Following the retirement of Mr. Wang Xian Ping as a director of the Company at the conclusion of the annual general meeting on 30 April 2004, two members remain with the Audit Committee. On 16 August 2004, Mr. Nip Yun Wing was appointed as an independent non-executive director of the Company and also a member of the Audit Committee. One Audit Committee meeting was held during the Period.





審核委員會 (續)

本公司委託核數師羅兵咸永道會計師事務所協助審核委員會審閱本集團之未經審核二零零四年度中期業績。審核委員會已於董事會審批中期財務報告前與本公司核數師舉行會議，以審閱本集團截至二零零四年六月三十日止六個月之中期業績。核數師之獨立審閱報告已載於第二十七及二十八頁。

薪酬委員會及提名委員會

為進一步加強本集團的內部監控制度及持續提升本集團的企業管治水平，以確保集團資產能有效運用及增值，使股東的利益得到更佳保障，董事會已於二零零三年十二月分別成立了薪酬委員會及提名委員會。

薪酬委員會的主要職能為設立正規而透明的程序及政策，以制定董事的薪酬；而提名委員會的職能則為確保本公司委任合適的董事及使董事連任的程序更具透明度。兩個委員會的成員相同，均由兩位獨立非執行董事及一位執行董事組成，成員包括丁迅先生(主席)、梁銘源先生及李景奇先生。兩個委員會均已於本期間內正式啟動相關工作，並分別舉行了三次會議。

AUDIT COMMITTEE (continued)

The Company has engaged PricewaterhouseCoopers, the Auditors of the Company, to assist the Audit Committee to review the unaudited 2004 interim financial statements of the Group. Before the date of approval of the interim financial statements by the board of directors, a meeting of the Audit Committee has been held with the Auditors of the Company for reviewing the interim results of the Group for the six months ended 30 June 2004. The Auditors' independent review report is set out on pages 27 and 28.

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

To further strengthen the internal control system and continuously improve the standard of corporate governance of the Group so as to ensure an efficient deployment and added value of the Group's assets, thereby provide comprehensive protection to shareholders' interests, the board of directors established the Remuneration Committee and the Nomination Committee in December 2003 respectively.

The Remuneration Committee is responsible for the formulation of formal and transparent procedures and policies for the determination of directors' remuneration. The Nomination Committee is responsible for the appointment of suitable candidates as directors of the Company and to ensure the transparency of the re-election procedure of directors. The two committees comprise the same members (two independent non-executive directors and an executive director), namely, Mr. Ding Xun (Chairman), Mr. Leung Ming Yuen, Simon and Mr. Li Jing Qi. During the Period, both committees have duly commenced their work and three meetings were held by each of the Remuneration Committee and Nomination Committee.

