

Clear Media believes voluntary commitment to a high standard of corporate governance is important for enhancing the confidence of current and future shareholders, investors, employees, business partners and the public.

The Board regularly reviews and adopts corporate governance guidelines and developments. We believe the Company has endeavoured to comply with the Code of Best Practice set out in the former Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) applicable to us in the financial year 2004.

As a result of our commitment and continuous efforts in maintaining a high level of corporate governance, Clear Media was voted in a survey by Institutional Investor Research Group as the Company with **the Best Corporate Governance and the Best Investor Relations in the Media Category in Asia in 2004.**

The Board and the Management:

The Board lays down corporate strategies, approves overall business plans and, on behalf of the shareholders, supervises the company's financial performance, its management and organization. The Board is also responsible for overseeing the preparation of financial statements of each financial period, which give a true and fair view of the state of affairs the Group and of the results and cash flow of that period. The Board defines the scope within which the management team carries out day-to-day management tasks. Each of the executive directors oversees specific areas of our business.

The Board determines the company's overall objectives, strategies and business plans based on the recommendations of the management team and approves the key figures underlying the budgets prepared by the management team.

The Board reviews and approves the Company's budgets and checks to see if the targets are being achieved. It also monitors the company's liquidity and cash positioning. It approves the Company's significant transactions.

The Board and management team handle material price information with strict confidence. Public announcements are made in a timely manner to keep shareholders and the public abreast with the latest developments.

Board Composition:

The Board comprises four executive directors one of whom is the chairman of the Board, five non-executive directors (two of whom are deputy chairmen and one of whom is related to the CEO) and three independent non-executive directors (INEDs). Please refer to pages 50-53 of the annual report for the names, details and qualifications of the Directors. We believe the non-executive directors, consisting of a good mix of advertising and promotional experts in China and the international markets, financial and business consultants and other diversified industry experts, are well qualified to advise us on business strategy, finance and management issues.

The INEDs are explicitly identified in all corporate communications, and one of them has senior financial and accounting expertise. Moreover, the Board also reviews the independence of INEDs on an annual basis and each INED has confirmed their independence as at the end of 2004.

The Company has a clear division for responsibilities for its top management, and adopts a dual leadership structure where **the role of Chairman is separate from that of the CEO**. The Chairman is responsible for leading and overseeing the functions of the board, while CEO, together with the executive directors and management team, is responsible for the day-to-day management of the Group's business.

When a new director joins the Board, he or she will be provided with documents setting out his duties and obligations, such as "Guidelines for Directors" published by the Institute of Directors in Hong Kong, as well as documents setting out the various relevant disclosure requirements such as "Guide on Disclosure of Price Sensitive Information" published by Hong Kong Exchange and Clearing Limited. We also make arrangements for our company counsel to explain certain obligations and responsibilities of directors of listed companies set out in the Listing Rules. Each newly appointed director will discuss with the Chairman any additional information or training he or she may require in order to discharge his/her duties as our director.

At every annual general meeting, one third of the Directors (other than the Chairman and CEO), or the nearest number to one third, shall retire and be eligible for re-election.

In the past three years, the Company has in force an insurance policy to ensure our directors and senior management from any liability arising from the performance of their duties.

Communication between the Board and the Management

All Board members have full access to information concerning the Company. To ensure that the Board is well apprised of matters concerning the Company, relevant, complete and accurate information is transmitted in a timely manner to our Directors. We also hold regular meetings to update our Board. Our Company Secretary is responsible for communications with our board members.

Meetings

The Board met six times in 2004 to discuss issues affecting the general development of the Company, including strategies, acquisitions and disposals, annual budgets, annual and interim results, appointment of directors and senior management, major capital expenditure, and other significant operational and financial matters.

Most of the Board meetings are scheduled one year in advance to ensure maximum director attendance. In case additional board meetings are needed, an average prior notice of 1 month is given. The agenda of each board meeting is set by the Chairman after consultation with the management team and other board members. The agenda and other supporting documents to be presented to the Board are forwarded to the members at least 5 days prior to each board meeting.

Directors with potential conflicts of interest declare the conflict and abstain from the relevant meeting. Minutes of meetings are normally circulated within two weeks after the meeting and directors are given opportunity to amend the minutes. Any director who disagrees with a decision carried out by the Board is entitled to have his or her opinion included in the minutes of the meeting. The opinions of the independent non-executive directors, particularly in relation to connected party transactions, are also included in the minutes. Independent non-executive directors seek external professional advice as necessary. The independent non-executive directors engaged independent financial advisors to give professional advice on some on-going related party transactions disclosed previously in 2004.

The Chairman of the Board maintains an on-going dialogue with the CEO about the Company's operations and assesses the need for any information to be passed to the whole Board. All directors are kept informed in a timely manner regarding major changes affecting our businesses. When there is no meeting, the Board members can access the Company Secretary for advice and comments through out the year. If necessary, any board member or Group director may contact the Chairman to request for a Board meeting to be convened.

Directors' Attendance in 2004

	Board Meetings attended/held
Executive Directors	
Steven Yung (<i>Chairman</i>)	6/6
Han Zi Jing (<i>The CEO</i>)	6/6
Teo Hong Kiong	6/6
Zou Nan Feng	4/6
Non-executive Directors	
Mark Mays	0/6
Lenna Chin (alternate to Mark Mays)	5/6
Roger Parry	3/6
Tim Maunder (alternate to Roger Parry)	2/6
Peter Cosgrove	6/6
Jonathan Bevan	4/6
Han Zi Dian	0/6
Zhang Huai Jun (alternate to Han Zi Dian)	5/6
Independent Non-executive Directors	
Desmond Murray	6/6
Wang Shou Zhi	4/6
Leonie Ki Man Fung (appointed on 15 September 2004)	1/1

Board Committees:

As an integral part of good corporate governance, the Board established the following committees, each provided with defined written **Terms of Reference**: The Audit Committee, Remuneration Committee, Nomination Committee and Capital Expenditure Committee. Their independent views and recommendations provide proper control of the Company and ensure continual achievement of high corporate governance standards as a listed company.

Audit Committee

The Audit Committee was established in 2001 with written Terms of Reference posted on the Company's web site to provide advice and recommendations to the Board. The Committee has currently four members, and majority of the Committee members are independent non-executive directors, and is chaired by an independent director with in-depth financial and accounting knowledge. All committee members have appropriate industry and financial experience to contribute to the business of the Audit Committee.

The functions of the Audit Committee are to review with senior management and internal and external auditor teams the internal and external audit findings, accounting principles, and practices adopted by the Group, listing rules and statutory compliances, internal control, related party transactions, risk management and financial reporting matters, including interim and annual financial statements and provide recommendations to the Board. Minutes of the meeting are kept by the Secretary, and draft and final versions of minutes are sent to all members of the Committee within 14 days of the meeting. The Audit Committee met three times in 2004.

Every year, the Audit Committee meets with external auditors to discuss the annual audit plan. The Audit Committee meetings were attended by the members of the Committee and when necessary, the external auditors and the internal auditors.

In addition, the external audit partner is subject to periodic rotations and the ratio of annual fees for non audit services and for audit services is subject to close scrutiny by the Audit Committee.

Composition of the Audit Committee

Desmond Murray, Independent Non-executive Director (*Chairman*)
 Peter Cosgrove, Non-executive Director
 Wang Shou Zhi, Independent Non-executive Director
 Leonie Ki Man Fung, Independent Non-executive Director

Members Attendance in 2004

Members	Audit Committee meeting attended/held
Desmond Murray	3/3
Peter Cosgrove	3/3
Wang Shou Zhi	2/3
Leonie Ki Man Fung (appointed on 15 September 2004)	1/1

Internal Control and Internal Audit

The Board through the Audit Committee is responsible for maintaining proper internal controls within Clear Media.

The internal control systems are designed to provide reasonable assurance of the company's assets, safeguarding them against unauthorized use or disposition by making sure transactions are executed in accordance with management's authorization and that the accounting records are reliable for the preparation of financial information used for the business and publication. The Company has adopted proper procedures with duly assigned levels of authority in areas of financial, operational and compliance controls and risk management to ensure the Company's assets and resources are safeguarded.

The Board approved a 5-year rotational internal audit plan, launched in 2004, covering different departments with the objective of reducing potential risks and improving operational efficiency. The Company has outsourced the completion of this work to a suitably qualified consultant. The Internal auditors report findings and recommendations to the Board. The internal auditors report directly to the Audit Committee and internal auditors have the right to consult the Audit Committee without referring to management. The Audit Committee reports to the Board at each board meeting the progress of work plan and related findings.

In 2004, internal auditors covered the following matters:

1. assessed and reviewed the capital expenditure and approval procedures;
2. reviewed purchasing procedures and contracts with suppliers; and
3. reviewed the creative work process.

The annual internal audit plan is reviewed and approved by the Audit Committee on a risk-assessment basis, recognising the Company's business risks. Issues reported by internal auditors are monitored closely by the management, until appropriate measures are taken to address the issues.

External Audit

During the year, the fees paid to the Company's external auditors are set out as below:

	2004 HK\$'000	2003 HK\$'000
Audit fees	880	820
Non-audit fees — taxation services fees	78	64

Nomination Committee

The Nomination Committee was formed in 2003 with written Terms of Reference posted on the Company's web site to make recommendations to the Board on the appointment of directors and the management of Board succession based on criteria endorsed by the Board. These include professional knowledge, commercial experience and personal ethics.

Criteria for candidates:

The Board adopted certain criteria for new director candidates. These include the candidates' background especially their experience in advertising and promotions, financial and commercial experience, and relevant experience with any listed company.

Procedure:

The Committee gathers information on candidates from various sources including the database of the Institute of Directors in Hong Kong and recommendations from the management team and others. Candidates are short-listed by the Chairman and Secretary of the Committee based on the above criteria and tabled for the Committee. The Committee meets to select the final candidates and recommend them to the Board for final approval. The Committee met once in 2004 to appoint a new independent non-executive director.

Composition of the Nomination Committee

Steven Yung, Executive Director (*Chairman*)
 Roger Parry, Non-executive Director
 Peter Cosgrove, Non-executive Director
 Wang Shou Zhi, Independent Non-executive Director
 Desmond Murray, Independent Non-executive Director
 Leonie Ki Man Fung, Independent Non-executive Director

Members Attendance in 2004

Members	Nomination Committee meeting attended/held
Steven Yung	1/1
Roger Parry	1/1
Peter Cosgrove	1/1
Wang Shou Zhi	1/1
Desmond Murray	1/1
Leonie Ki Man Fung (appointed on 15 September 2004)	0/0

Capital Expenditure Committee

The Capital Expenditure Committee, formed in 2003, is responsible for reviewing and recommending new projects involving capital expenditure, higher than HK\$10m to the Board for approval. Its members include the national sales director, our CFO and a non-executive director with international operational experience.

The Capital Expenditure Committee met three times in 2004 to review new projects and made recommendations to the Board.

Composition of the Capital Expenditure Committee

Teo Hong Kiong, CFO
 Zhang Huai Jun, National Sales Director
 Jonathan Bevan, Non-executive Director

Members Attendance in 2004

Members	Capital Expenditure Committee meeting attended/held
Teo Hong Kiong	3/3
Zhang Huai Jun	3/3
Jonathan Bevan	3/3

Special Independent directors Committee

The Board, from time-to-time, will appoint directors to perform specific functions and report findings to the Board for decision.

In 2004, a committee formed by two independent non-executive directors was appointed to review on-going transactions related to maintenance services, creative services, and framework arrangement for sales and commission paid to related parties. Independent financial advisors were appointed by the Board, to provide professional advice to this committee and the independent shareholders on these transactions.

Remuneration Committee

The Remuneration Committee was formed in 2001 with written Terms of Reference posted on the Company's web site, to formulate remuneration policy and approve remuneration for all directors and senior management team, including grant of share options and annual review of remuneration packages. All members are non-executive directors and the number of independent directors account for half of the Remuneration Committee.

The Remuneration Committee met two times in 2004 to review and approve directors' remuneration.

Composition of the Remuneration Committee

Roger Parry, Non-executive Director (*Chairman*)
 Peter Cosgrove, Non-executive Director
 Jonathan Bevan Non-executive Director
 Desmond Murray, Independent Non-executive Director
 Wang Shou Zhi, Independent Non-executive Director
 Leonie Ki Man Fung, Independent Non-executive Director (appointed on 15 September 2004)

Members Attendance in 2004

Members	Remuneration Committee meeting attended/held
Roger Parry	1/2
Peter Cosgrove	2/2
Jonathan Bevan	1/2
Desmond Murray	2/2
Wang Shou Zhi	1/2
Leonie Ki Man Fung (appointed on 15 September 2004)	0/0

Executive Directors' Remuneration:

Remuneration Policy:

The primary objective is to retain and motivate executive directors by linking their compensation with performance and measure it against corporate goals. No director can approve his or her own remuneration.

Basic salary

The Remuneration Committee reviews annually and approves the basic salary of each executive director. In 2004, the Remuneration Committee engaged Watson Wyatt, a renowned compensation specialist to carry out an external benchmarking exercise in 2004 on the directors' salary packages to ensure they were compensated appropriately.

Share option

The Remuneration Committee approves all grants of share options under the Company's approved share option scheme for executive directors based on their individual performance and achievements of certain Company goals.

Please refer to page 93 of Directors' Report for details of directors' stock options holdings.

Executive directors' emoluments:

	Fees	Salaries allowances and benefits in kind	Performance related bonuses	Pension contributions	Total emoluments
2004	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Executive directors:</i>					
Steven Yung	—	1,700	—	12	1,712
Han Zi Jing	—	2,691	—	12	2,703
Teo Hong Kiong	—	2,037	—	12	2,049
Zou Nan Feng	—	867	—	10	877
	—	7,295	—	46	7,341

Non Executive Director and Independent non-executive directors' Remuneration

The fees paid to the non-executive directors and the independent non-executive directors are subject to annual review and approval by the Remuneration Committee. Reimbursement is allowed for out-of-pocket expenses, upon production of invoices, incurred in connection with the performance of their duties including attending meetings.

Non-executive directors:

	Fees	Salaries allowances and benefits in kind	Performance related bonus	Pension scheme contribution	Total emoluments
2004	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Peter Cosgrove	—	1,027	—	12	1,039
Mark Mays	—	—	—	—	—
Roger Parry	60	—	—	—	60
Coline McConville	60	—	—	—	60
Han Zi Dian	—	22	—	—	22
Chin Oi Ling Lenna	120	—	—	—	120
Tim Maunder	60	—	—	—	60
Jonathan Bevan	60	—	—	—	60
Zhang Huai Jun	—	977	—	9	986
	360	2,026	—	21	2,407

Independent non-executive directors

The fees paid to independent non-executive directors were as follows:

	2004 HK\$'000
Leonie Ki Man Fung	35
Wang Shou Zhi	120
Desmond Murray	237
	392

Code of Conduct and Business Ethics

We believe our corporate reputation is important to the Company's success. All directors, executives and employees are expected to comply with the requirements stipulated in the Company's Code of Conduct handbook.

The directors have a duty and responsibility to act honestly and with due diligence and care in carrying out their duties. Every director has received the latest version of the Guidance on the Disclosure of Price Sensitive Information published by the Hong Kong Exchange and Clearing Limited, and Guidelines for Directors published by the Hong Kong Institute of Directors, and updates on Listing Rules prepared by the Company lawyers.

The Company's Code of Conduct contains the same terms set in the Model Code of Appendix 10 of the Listing Rules regarding directors' securities transactions. Directors have to give prior written notice to Chairman of the Board regarding their transactions in the Company's shares, and approval from Chairman is needed before such transaction can be effected. Specific enquiries were made to all the directors on whether they had complied with the Company's Code of Conduct during the financial year, and all replied in the positive.

Social responsibility and sustainability

Clear Media has specific purchasing requirements observed by approved suppliers and vendors, requiring them to abide by national labor laws and health and environmental standards. Vendors are not allowed to employ child or involuntary labor, or practice any form of discrimination. On the environmental side, vendors are not allowed to use materials hazardous to human health and bus shelters are constructed according to safety standards in compliance with relevant laws in China.

In addition, to demonstrate our commitment to the well being of the community, our network contributes, upon availability, around 10% of its display panels to local municipal governments to help promote community events. The Company also participated in the "Project Hope" in 2004 to support education of children in China.

Open Communication

Clear Media acts in good faith and in the best interest of its shareholders. The Company promotes open communication and full disclosure of information to protect shareholder interests and to maximize the returns enjoyed by our shareholders. Clear Media is committed to providing adequate channels for communication between shareholders and the Company.

Communications with shareholders

Shareholders' role and dialogue with management

Clear Media communicates with shareholders via the telephone, e-mail, annual reporting, information on stock exchange, corporate website, general and investor meetings, either face to face or telephone conferences. The Company welcomes enquiries from its shareholders by the same methods. The Company reports to its shareholders twice a year. Annual and interim results are announced as early as possible, to keep shareholders informed of the Company's performance and operations. Clear Media publishes its financial results on a semi-annual basis to enhance transparency about its performance and to give details of the latest development of the Company in a timely manner. The Company also announced its annual results and interim results in a timely manner within the limits of 3 months respectively after the end of the relevant periods.

General Meetings

The general meeting constitutes the supreme authority of the Company. It is convened by a minimum 21 days notice for annual shareholder meeting and 14 days for special shareholder meeting. The notice convening the meeting together with any proposals to be discussed in the general meeting, are published in newspapers. In addition, notice convening the general meeting, with details on the venue, date and time as well as the agenda of the annual general meeting is sent by letter to all registered shareholders. Shareholders who request the printed annual report receive it at the same time as the letter convening the annual general meeting, at least 21 days prior to the annual shareholder meeting.

Voting Rights

Clear Media shares are all ordinary shares with total issued outstanding shares amounting to 501,608,500. Shareholders are entitled to vote if their shares are registered in the company's register of shareholders before record dates published by the Company in the shareholders meeting notice. Voting normally takes the form of a show of hands, except on the related party transaction, where poll will be taken. In the future, the Company is considering using more the poll form in its shareholder meetings. Results of shareholder meetings are reported to the public through newspaper announcements and on the Company's website.

The right to vote may be exercised through proxy, who must present a written and dated instrument appointing the proxy. The letter convening the general meeting includes a proxy form appointing the board as proxy. This instrument appoints the board as proxy for each proposal separately. All shareholders may present proposals for discussion or ask questions.

Shareholders' Rights

Members, as defined in the Company's Bye-laws, holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the rights of voting at general meetings of the Company shall at all times have the right, by written resolution to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

Details of last AGM & SGM

	Major Items	Voting
AGM		
<i>Time:</i> 10:00 a.m.	<ul style="list-style-type: none"> – To receive and consider the audited financial statements and the Reports of the Directors and Auditors for the year ended 31 December 2003; – To re-elect retiring Directors who retired by rotation and to authorize the Board of Directors to fix Directors' remuneration; – To appoint auditors and to authorize the Board of Directors to fix their remuneration; – To approve the Company's share repurchase; and – To approve Company allotment, issue and dealing in additional shares and to make or grant offers. 	– passed
<i>Date:</i> 27 May 2004		
<i>Venue:</i>		
Mandarin		– passed
Hotel, Hong Kong		– passed
		– passed
		– passed

Major Items		Voting
SGMs		
<i>Time:</i> 10:20 a.m. <i>Date:</i> 27 May 2004 <i>Venue:</i> Mandarin Hotel, Hong Kong	<ul style="list-style-type: none"> - To grant share option to Mr. Han Zi Jing, CEO, Executive Director of the Company. Since Mr. Han is also in control of Outdoor Media China, Inc., a substantial shareholder of the Company under the Listing Rules, thus constituting a connected party transaction needing approval of the shareholders. - To amend Company Bye-laws to take into account recent changes in the Listing Rules and Companies Ordinance as well as the Securities and Futures Ordinance. 	<ul style="list-style-type: none"> - 91.34% approved - 100% approved
<i>Time:</i> 10:30 a.m. <i>Date:</i> 27 May 2004 <i>Venue:</i> Mandarin Hotel, Hong Kong	<ul style="list-style-type: none"> - To approve the Maintenance Service Agreement and related Continuing Connected Transactions and Propose Caps on these transactions. - To approve the Framework Agreement and related Continuing Connected Transactions and Propose Caps on these transactions. 	<ul style="list-style-type: none"> - 98.13% approved - 100% approved

Capital Structure, Public Float and Shareholder Base

As at 31 December 2004, Clear Media had 501,608,500 shares in issue, each with a par value of HK\$0.10. Market capitalization of Clear Media at 31 December, 2004, was HK\$3.74 billion. The following table shows the distribution of share ownership by category and by geographical distribution. Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of the Shares as required under the Listing Rules. As ownership of Clear Media shares can be through nominees, investment funds and the Central Clearing and Settlement System of Hong Kong, the actual ownership numbers may vary with the ratios.

Shareholding:

By category:	
Clear Channel KNR Neth Antilles NV	48%
Institutional Investors	50%
Retail Investors	2%
By Geographical distribution:	
Local	31%
Overseas	69%

Dividend Policy

The Company has not paid any dividend since its listing in December 2001. China's market has brought numerous opportunities for growth and we see it in the interest of our shareholders to reinvest the retained earnings, for generating higher returns in the future. Therefore, we do not foresee the Company paying dividends in the near future.

Share Repurchase

The Company did not undergo any share repurchase in 2004 as there were vast growth opportunities in its businesses, generating better returns for shareholders.

Investor Relations

Clear Media regards communicating with existing and potential investors as an important activity. The Company has set policies of open communication and full disclosure in an open, honest and timely manner to ensure efficient communication between the Company and the investment community, on issues affecting the development of the Company.

As a result of our unwavering commitment to investor communications, Clear Media has now become a widely covered listed company with key local and international research houses regularly publishing research reports on the Company. In addition, Clear Media is also followed by a wide range of international fund managers and buy-side analysts. The Company is dedicated to developing even closer ties with the investment community and our senior management team is actively involved in meetings with analysts and fund managers as well as investors conferences organized by securities houses in Hong Kong, Singapore, Tokyo, USA and Europe.

The Company also values the interests of retail shareholders. We believe the press acts as an effective communication channel between the Company and its retail shareholders, therefore we maintain frequent contacts with the local and regional press, disseminating news about the Company developments in news conferences, press interviews and paid statutory announcements.

The Company also provides regular updates on the latest developments through e-newsletters to shareholders, investors and media. Two e-newsletters were sent in 2004.

Apart from the above channels, the Company's corporate web site also provides an effective platform in communicating with the public and investor community with rapid and easy access to up-to-date information on the Company.

Clear Media's efforts in cultivating high investor relations standards, has won the support and recognition of the investment community. The Company was ranked in a survey by the renowned US Institutional Investor Research Group as the **"Best Investor Relations in the Asia Media Category"** in 2004. In recognition of the Company's efforts in communication with stakeholders through high quality annual reports, the Company's 2003 Annual Report "The Age of Consumers" won the **Grand Award in Hong Kong**, and the **Gold Medal in the Media category** at the International ARC Awards in New York organized by the International Academy of Communications Arts and Sciences.

Key Shareholder Information

Financial calendar 2005

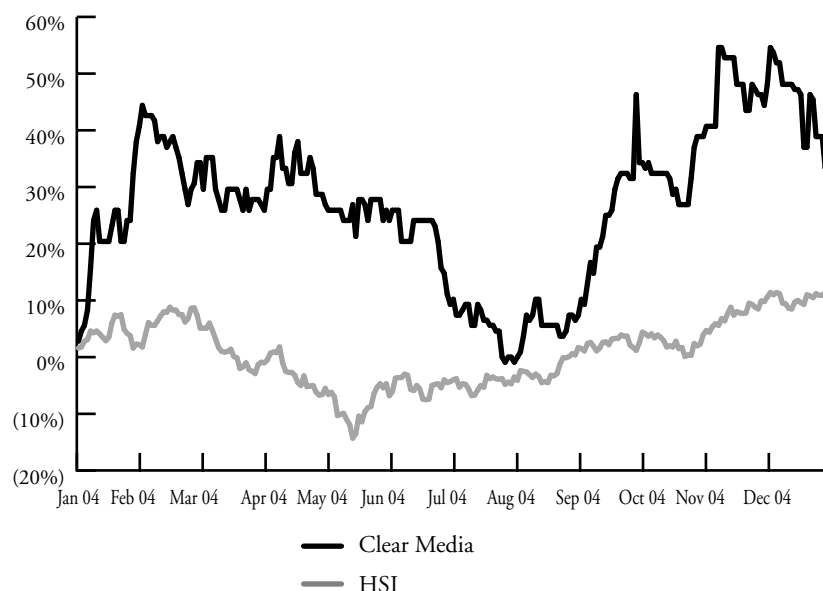
Results Announcement 2004	10 March
Annual Shareholder Meeting	27 May
Interim Results Announcement 2005	September
Financial Year End	31 December

Substantial shareholders

Clear Channel KNR Neth Antilles NV	48.1%
The Capital Group Companies, Inc.	14.1%
FMR Corp.	6.6%
Public float	31.2%

Share Price Performance

90 million shares were traded on HKEX in 2004. The highest trading price for the share was HK\$8.35 on 9 November 2004 and the lowest was HK\$5.35 on 29 July 2004.



(Source: Bloomberg)

Employees:

As China's leading outdoor advertising company, Clear Media recognizes the importance of human capital as a key asset to the Company's growth and profitability.

As of 31 December 2004, the Group had a total of 385 employees, an increase of 90 over the same period in 2003 and total employee cost amounted to 8.8% of the total turnover, as compared to 8.5% in 2003. There was a major increase in number of sales and marketing employees, which grew from 217 in 2003 to 298 in 2004. This was in line with the Company's policy of improving sales support for our expanding outdoor media network in China, especially a new sales team was set up to focus on the sales and marketing work for the newly acquired bus shelters in Beijing, late 2004.

Training courses and conferences are regularly organized for employees throughout the year to improve and update their knowledge regarding their respective job requirements. A regular annual retreat for the sales team is organized rotationally throughout the country to give sales teams the on-the-ground update while devising sales strategies. The senior management team also takes part in these retreats to communicate with employees on company strategies while employees take the opportunity to express their opinions on various topics. To keep abreast of latest trends in international outdoor advertising and in recognition of senior sales staff performance, selected senior sales staff were sent to attend the Clear Channel Worldwide Annual Conference held last year in South Africa, where senior sales staff from Clear Channel group worldwide met to discuss and share global outdoor advertising trends.

Employees are remunerated based on their performance, experience and prevailing industry trends, with compensation policies and packages being reviewed on a regular basis. Bonuses are linked to both the Group's performance and to individual performance as recognition of value creation, usually accounting for a substantial part of the sales team total take-home pay. In addition, to align individual interests with the Group, share options are granted to senior management.