

The Hong Kong Code on Corporate Governance Practices

ADVISORY

Corporate Governance Reports – Sample UK Combined Code Statements and Compliance Information

Listed issuers shall include a report on Corporate Governance Practices prepared by the board of directors – *Hong Kong Listing Rules, Appendix 23*

The Board should ensure that the issuer maintains sound and effective internal controls to safeguard the shareholders' investment and the issuer's assets – *Principle C2, Hong Kong Code on Corporate Governance Practices*

As Hong Kong Main Board and GEM-listed issuers consider the implications of complying with the Hong Kong Code on Corporate Governance Practices (see *KPMG's Boardroom Update, Issue 1 January 2005*), they will also be considering the information to be included in their Corporate Governance Report (CGR) for accounting periods commencing on or after 1 January 2005. To assist Hong Kong issuers, the Audit Committee Institute (ACI) recently analysed the nature of Combined Code statements being issued by UK companies, and has provided some guidance on both the nature of these Combined Code statements and also on the level of compliance.

The experience of UK companies reporting under the UK Combined Code is particularly relevant to Hong Kong issuers, since the Combined Code forms one of the primary basis for the Hong Kong Code on Corporate Governance Practices, with many similarities both in Code provisions and also reporting requirements.

However, Hong Kong issuers should be cautious when considering how UK-listed companies have complied with reporting information, since not all UK Code provisions and reporting requirements are the same as those adopted by the Hong Kong Stock Exchange. In addition, actual disclosure by Hong Kong issuers will, of course, need to be tailored to reflect the specific corporate governance practices performed by each listed issuer.

The following pages contain examples of UK Combined Code reporting, and a statistical analysis of the activities of UK main boards and their sub-committees.

- **Appendix 1** provides an example of a Combined Code statement based on the UK Combined Code that has been derived from a sample of FTSE 100 company annual reports. This appendix should only be used as a guide and should be modified to suit the Corporate Governance Practices and circumstances of each Hong Kong issuer.
- The ACI also conducted a statistical review of the Corporate Governance Statements issued by UK listed issuers during the twelve months to May 2004. The results in **Appendix 2** reveal some interesting statistics concerning the make-up of main boards, their committees and also their collective level of compliance.

Appendix 1 – Revised UK Combined Code – Example Corporate Governance Statement

Corporate Governance

Throughout the year to 31 December 2005, the company complied with the provisions of the revised Combined Code on corporate governance issued by the Financial Reporting Council in July 2003 [except for.....]. The company has a policy of seeking to comply with established best practice in the field of corporate governance. The Board has adopted core values and group standards which set out the behaviours expected of staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders of the Group. One of the core values communicated within the Group is a belief that the highest standard of integrity is essential in business.

The Board

The Group is controlled through its Board of Directors. The Board's main roles are to create value to shareholders, to provide entrepreneurial leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable them to meet those objectives. The Board, which meets at least ten times a year, has a schedule of matters reserved for its approval.

The specific responsibilities reserved for the Board include: setting Group strategy and approving an annual budget and medium-term projections; reviewing operational and financial performance; approving major acquisitions, divestments and capital expenditure; reviewing the Group's systems of financial control and risk management; ensuring that appropriate management development and succession plans are in place; reviewing the environmental, health and safety performance of the Group; approving appointments to the Board and the Company Secretary; approving policies relating to Directors' remuneration and the severance of Directors' contracts; and ensuring that a satisfactory dialogue takes place with shareholders.

The Board has delegated the following responsibilities to the Executive Management Committee: the development and recommendation of strategic plans for consideration by the Board that reflect the longer-term objectives and priorities established by the Board; implementation of the strategies and policies of the Group as determined by the Board; monitoring of the operating and financial results against plans and budgets; monitoring the quality of the investment process against objectives; prioritising the allocation of capital, technical and human resources; monitoring the composition and terms of reference of divisional management committees; and developing and implementing risk management systems.

The roles of the Chairman and Chief Executive

The division of responsibilities between the Chairman of the Board, Director A2, and the Chief Executive, Director B, is clearly defined and has been approved by the Board.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is not involved in the day-to-day business of the Group. The Chairman facilitates the effective contribution of non-executive Directors and constructive relations between executive and non-executive Directors, ensuring Directors



receive accurate, timely and clear information and effective communication with shareholders. The role of Deputy Chairman is carried out by Director C.

The Chief Executive has direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group.

Senior Independent Director

The Board has appointed Director F as Senior Independent Director. Director F is always available to meet shareholders on request and to ensure that the Board is aware of shareholder concerns not resolved through the existing mechanisms for investor communication.

Directors and Directors' independence

The Board currently comprises the Chairman, five independent non-executive Directors and four executive Directors. The names of the Directors together with their biographical details are set out on pages X and Y. All the Directors served throughout the period under review. The Board includes independent non-executive Directors who constructively challenge and help develop proposals on strategy, bring strong, independent judgment, knowledge and experience to the Board's deliberations. The independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision making process.

The Directors are given access to independent professional advice at the group's expense, when the Directors deem it is necessary in order for them to carry out their responsibilities. Details of the Chairman's professional commitments are included in the Chairman's biography. The Chairman does perform a number of *pro-bono* roles but the Board is satisfied that these are not such as to interfere with the performance of the Chairman's duties of the Group which are based around a commitment of approximately 150 days per annum.

The Board considers all its non-executive Directors to be independent in character and judgement. No non-executive Director:

- has been an employee of the Group within the last five years;
- has, or has had within the last three years, a material business relationship with the Group;
- receives remuneration other than a Director's fee;
- has close family ties with any of the Group's advisors, Directors or senior employees;
- holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the board for more than nine years.

Professional development

On appointment, the Directors take part in an induction programme when they receive information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the principal Board and management committees, and the powers delegated to those committees, the Group's corporate governance practices and procedures, including the powers reserved to the Group's most senior executives, and the latest financial information about the Group. This is supplemented by visits to key locations and meetings with members of the Operating Committee and other key

senior executives. Throughout their period in office the Directors are continually updated on the Groups' business, the competitive and regulatory environments in which it operates, corporate social responsibility matters and other changes affecting the Group and the industry it operates in as a whole, by written briefing and meetings with senior executives. Directors are also advised on appointment of their legal and other duties and obligations as a Director of a listed company, both in writing and in face-to-face meetings with the Secretary. They are reminded of these duties each year and they are also updated on changes to the legal and governance requirements of the Group and upon themselves as Directors.

Performance evaluation

The Board has established a formal process, led by the Chairman, for the annual evaluation of the performance of the Board, its principal Committees and individual Directors with particular attention to those who are due for re-appointment. The Directors are made aware that their performance will be subject to an evaluation on appointment.

The Chairman has designed a series of questionnaires, with the assistance of an independent advisor. These questionnaires provide a framework for the evaluation process, and provide the Chairman with a means of making year-to-year comparisons. There are five questionnaires in total, one for each of the following: the Board; the individual Director; the Remuneration Committee; the Nomination Committee; and the Audit Committee. The questionnaires include specific references to the objectives of the Board and Committees, and the goals of the individual Directors. Each Board member is asked by the independent advisor to complete each questionnaire, and separate questionnaires for each of the individual Directors. The advisor then collates the results from the completed questionnaires, to ensure confidentiality, and presents the consolidated results to the Chairman. Individual Director assessments are discussed by the Chairman with the relevant Directors on a one-to-one basis, and goals for the following year are discussed. The Board / Committee evaluations results are discussed with the Chairman at Board / Committee level, and goals are agreed for the following year.

Led by the Senior Independent Director, the non-executive Directors meet annually, without the presence of the Chairman, to conduct a performance evaluation of the Chairman; a similar method to that described above is employed.

Re-election

Subject to the Company's Articles of Association, the Companies Acts and satisfactory performance evaluation, non-executive Directors are appointed for an initial period of three years. Before the third and sixth anniversary of the non-executive Directors' first appointment, the Director discusses with the Board whether it is appropriate for a further three year term to be served. The reappointment of Directors who have served for more than nine years is subject to annual review.

The Company Secretary

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters. The Directors have access to the advice and services of the Company Secretary. The Company's Articles of Association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

Information

Regular reports and papers are circulated to the Directors in a timely manner in



preparation for Board and Committee meetings. These papers are supplemented by information specifically requested by the Directors from time to time. The non-executive Directors receive monthly management accounts and regular management reports and information [and....] which enables them to scrutinise the Group's and management's performance against agreed objectives.

Relations with shareholders to fulfil the Chairman's obligations under the new Combined Code, the Chairman gives feedback to the Board on issues raised with him by major shareholders. This is supplemented by twice-yearly feedback to the Board on meetings between management and investors, and the non-executive Directors will receive an annual briefing from the Group's brokers on the market's perception of the group. The whole Board periodically receives a presentation by external advisors on investor perceptions and external brokers' reports on the group are circulated to all Directors. The Annual General Meeting (AGM) is normally attended by all Directors, and shareholders are invited to ask questions during the meeting and to meet with Directors after the formal proceedings have ended.

The Group maintains a corporate website, [website address] containing a wide range of information of interest to institutional and private investors. The Group has frequent discussions with institutional shareholders on a range of issues affecting its performance. These include meetings following the announcement of the annual results with the Group's largest institutional shareholders on an individual basis. In addition, the Group responds to individual ad hoc requests for discussions from institutional shareholders. The Senior Independent Director is available to shareholders if they have concerns, where contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. All major shareholders are given the opportunity to meet new non-executive Directors on appointment.

At the AGM, all shareholders, including private investors, have an opportunity to put questions to members of the Board on matters relating to the Group's operation and performance.

Internal Control

In accordance with the guidance of the Turnbull committee, the Board of Directors: is responsible for the company's system of internal control; sets appropriate policies on internal control; seeks regular assurance that enable it to satisfy itself that the system is functioning effectively; and ensure that the system of internal control is effective in managing risks in the manner which it was approved.

The Directors have continued to review the effectiveness of the Group's system of financial and non-financial controls, including operational and compliance controls, risk management and the Group's high-level internal control arrangements. These reviews have included an assessment of internal control, and in particular internal financial control, by the internal audit function, management assurance of the maintenance of control and reports from the external auditor on matters identified during the course of their statutory audit work. A key part of these reviews is an annual 'letter of assurance' process by which responsible Managers confirm the adequacy of their systems of internal financial and non-financial controls, their compliance with Group policies (including those relating to safety, health and the environment), local laws and regulations (including the industry's regulatory requirements) and report any control weaknesses identified in the past year.

The Group views the careful management of risk as a key management activity. Managing business risk to deliver opportunities is a key element of all activities. This is done using a simple and flexible framework that provides a consistent

and sustained way of implementing the Group's values. These business risks, which may be strategic, operational, reputation-related, financial or environmental, should be understood and visible. The business context determines in each situation the level of acceptable risk and controls.

Much of the Group's work in the area of risk management is facilitated by the Risk Advisory Group, consisting of representatives from each business function. Its role is advisory and is to assist senior management to identify and assess the main risks faced by the Group's business in a co-ordinated manner, to assess, identify and document the Group's risk profile and to ensure that the business focuses on critical business issues. It is chaired by the Chief Financial Officer and reports twice a year to the Senior Executive Team. The Risk Advisory Group's reports on the Group's risk profile are reviewed by both the Audit Committee and the Board.

Under the auspices of the Risk Advisory Group, the Group has developed and is establishing an integrated risk management framework with the aim of continuing to ensure that the business understands the key risks it faces, especially cross-functional risks, has an embedded risk management approach to all of its activities, links risk management to business performance reporting and seeks continuous improvement in the management of risk by sharing best practice throughout the organisation

Board Committee

The number of full Board and Committee meetings attended by each Director during the year is as follows:

	Scheduled Board meetings	Nomination Committee meetings	Remuneration Committee meetings	Audit Committee meetings
Non-executive Director A (Board Chairman)	11 (12)	4 (4)	n/a	n/a
Executive Director B (Chief Executive Officer)	11 (12)	n/a	n/a	n/a
Executive Director C (Deputy Chairman)	11 (11)	n/a	n/a	n/a
Executive Director D (Chief Financial Officer)	12 (12)	n/a	n/a	n/a
Executive Director E	12 (12)	n/a	n/a	n/a
Independent non-executive Director F (Senior Independent Director)	10 (11)	n/a	3 (4)	4 (5)
Independent non-executive Director G	11 (12)	n/a	4 (4)	5 (5)
Independent non-executive Director H	12 (12)	4 (4)	n/a	5 (5)
Independent non-executive Director I	12 (12)	3 (4)	4 (4)	n/a
Independent non-executive Director J	12 (12)	n/a	4 (4)	5 (5)

Nomination Committee

During the year the Nomination Committee comprised Director A, Director H and Director I. Director A acts as Chairman of the Committee. The Nomination committee met four times during the year; when necessary non-committee members were invited to attend.

The Nomination Committee considers the mix of skills and experiences that the Board requires and seeks the appointment of Directors to meet its assessment of what is required to ensure that the Board is effective in discharging its responsibilities.

During the year the Committee reviewed the time that it believed a non-executive Director would normally be required to commit to his or her duties, including serving on the Board's Committees, and considered whether it was sufficient to enable directors to carry out their role. Details of these time commitments have been included in individual non-executive Directors' letters of appointment. During the year, the Nomination Committee initiated the search for a successor to the present Chairman. The Board began the process by defining the future role of the Chairman, and identifying the core competencies required of the candidate to carry out that role. The Board then employed a professional search firm, and interviewed a number of firms before selecting [name of firm]. The initial selection process has been overseen by [name of firm] and have presented the board with three candidates who will be interviewed initially by the Senior Independent Director, and then will meet all the Directors.

The Nomination Committee's terms of reference can be found on the Group's website.

Remuneration Committee

During the year the Remuneration Committee comprised Director F, Director G, Director I and Director J. Director F acts as Chairman of the Committee. All the members of the Committee are independent non-executive Directors. The Remuneration Committee met four times during the year; when necessary, non-committee members were invited to attend.

The Committee's principal responsibilities are

- setting, reviewing and recommending to the Board for approval the Group's overall remuneration policy and strategy;
- setting, reviewing and approving individual remuneration packages for executive Directors and the Chairman including terms and conditions of employment and any changes to the packages;
- reviewing the salary structure and terms, conditions and benefits of employment of other Group Executive Committee members; and
- approving the rules, and launch, of any Group share, share option or cash-based incentive scheme and the grant, award, allocation or issuance of shares, share options or payments under such schemes.

In addition, the Committee regularly reviews the Group's remuneration policy in relation to:

- competitors and industry norms;
- compensation commitment; and
- contract periods.

[More detail is usually included within the Directors Remuneration Report]

The Audit Committee

During the year, the Audit Committee comprised Director F, Director G, Director H and Director J. Director J acted as Chairman of the Committee. All the members of the Committee are independent non-executive Directors. The Audit Committee met five times during the year. The Committee has at least one member possessing what the Smith Report describes as “recent and relevant experience”. Director G, a chartered accountant, was [Group Finance Director] of [name of company] between X and Y. It will be seen from the directors’ biographical details, appearing on pages X and Y, that the other members of the Committee bring to it a wide range of experience from positions at the highest level in both the UK and the USA.

Under its terms of reference, the Audit Committee monitors the integrity of the Group’s financial statements and any formal announcements relating to the Group’s performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, re-appointment and remuneration of the external auditor. It is responsible for ensuring that an appropriate relationship between the Group and the external auditors is maintained, including reviewing non-audit services and fees. It also reviews annually the Group’s systems of internal control and the processes for monitoring and evaluating the risks facing the Group. The Committee reviews the effectiveness of the internal audit function and is responsible for approving, upon the recommendation of the Chief Executive, the appointment and termination of the Head of that function. The Committee reviews its terms of reference and its effectiveness annually and recommends to the Board any changes required as a result of the review.

The Committee meets with executive Directors and management, as well as privately with both the external and internal auditors. The Committee’s terms of reference are available from the Company Secretary and are displayed on the Group’s website, [website address].

In 2005 the Audit Committee discharged its responsibilities by:

- reviewing the Group’s draft financial statements and interim results statement prior to Board approval and reviewing the external auditor’s detailed reports thereon;
- reviewing the Group’s December trading update announcement prior to release;
- reviewing the appropriateness of the Group’s accounting policies;
- reviewing regularly the potential impact in the Group’s financial statements of certain matters such as impairments of fixed asset values and proposed International Financial Reporting Standards;
- reviewing and approving the audit fee and reviewing non-audit fees payable to the Group’s external auditors;
- reviewing the external auditor’s plan for the audit of the Group’s accounts, which included key areas of extended scope work, key risks on the accounts, confirmations of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit;
- reviewing an annual report on the Group’s systems of internal control and its effectiveness, reporting to the Board on the results of the review and receiving regular updates on key risk areas of financial control;
- reviewing post-acquisition reports on integration and the performance of significant recent acquisitions;
- reviewing the risks associated with major business programmes; and
- reviewing the internal audit functions terms of reference, its work programme and quarterly reports on its work during the year.



The Audit Committee also monitors the Group's whistle blowing procedures, ensuring that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence, with suitable subsequent follow-up action. An alternative reporting channel has been created whereby perceived wrongdoing may be reported via telephone, email or post, anonymously if necessary.

Auditors' independence and objectivity

The Audit Committee monitors regularly the non-audit services being provided to the Group by its external auditors, and has developed a formal auditor independence policy to check this does not impair their independence or objectivity, and that the Group maintains a sufficient choice of appropriately qualified audit firms. The policy sets out four key principles that underpin the provision of non-audit services by the external auditors: the auditor should not audit its own firm's work, make management decisions for the Group, have a mutuality of financial interest with the Group, or be put in the role of advocate for the Group. Prior approval by the Audit Committee is required for any services provided by the external auditors where the fee is likely to be in excess of £XX,000. In any case, activities that may be perceived to be in conflict with the role of the external auditor must be submitted to the committee for approval prior to engagement, regardless of the amounts involved. The Audit Committee reviews all services being provided by the external auditors quarterly to review the independence and objectivity of the external auditors, taking into consideration relevant professional and regulatory requirements, so that these are not impaired by the provision of permissible non-audit services. Details of the amounts paid to the external auditors during the year for audit and other services are set out in the notes to the financial statements on page XY.

Appendix 2 – UK Board statistics

The Board					
	Average	Highest	Lowest	Guidance	Comment
Number of Board members	12	22	5	The Board should not be so large as to be unwieldy. The Board should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and that changes to the Board's composition can be managed without undue disruption (A.3).	
Number of instances where the role of the Chairman and Chief Executive are combined	9	9	N/A	The roles of Chairman and Chief Executive should not be exercised by the same individual (A.2.1).	
Number of meetings held during the year	9	20	4	The Board should meet sufficiently regularly to discharge its duties (A.1.1).	One company in the sample did not have a committee structure; all decisions were made by the Board, hence the high number of board meetings.
Board balance and independence					
Number of independent non-executive Directors (NEDS) on the board	6	12	1	Except for smaller companies, at least half the board, excluding the Chairman, should comprise non-executive Directors determined by the board to be independent. A smaller company should have at least two independent non-executive Directors (A.3.2).	
< 50 percent independent NEDS	21	N/A	N/A	Except for smaller companies, at least half the Board, excluding the Chairman, should comprise non-executive Directors determined by the board to be independent. (A.3.2).	
Number of companies appointing a senior independent Director	89	N/A	N/A	The board should appoint one of the independent non-executive Directors to be the senior independent Director. (A.3.3).	This is not a new requirement, hence the high level of compliance. Those companies who have not appointed a SID are either in the process of doing so or have assigned those responsibilities to other members of the board.

The Nomination Committee					
	Average	Highest	Lowest	Guidance	Comment
Number of Nomination Committee members	5	11	2	No specific guidance	
Number of meetings held during the year	3	11	1	No specific guidance	One company in the sample had a joint Remuneration and Nomination Committee, and therefore recorded a high number of committee meetings.
Information and professional development					
Number of companies disclosing a provision covering induction and ongoing development training to Directors	81	N/A	N/A	All Directors should receive induction on joining the Board and should regularly update and refresh their skills and knowledge (A.5).	The Revised Code now specifically addresses professional development. The amount of detail disclosed in this area varied considerably. The best examples describe the format and content of the training provided
Performance evaluation					
Number of companies disclosing a provision covering annual performance evaluation	64	N/A	N/A	The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors (A.6).	This is a new principle, and the disclosures in this area indicate that companies are still developing systems to address this requirement or have performed a review for the first time this reporting season.

The Remuneration Committee					
	Average	Highest	Lowest	Guidance	Comment
Number of Remuneration Committee members	4	7	3	The Board should establish a remuneration committee of at least three, or in the cases of smaller companies' two, members, who should all be independent non-executive Directors (B 2.1)	
Number of instances where the Board Chairman sits on the remuneration Committee	35	N/A	N/A	The independence test is applied to the Chairman only at the point of appointment to the "main Board" (A.3.1), but thereafter the test of independence is not appropriate, and the Chairman is no longer considered independent	
Number of meetings held during the year	5	12	1	No specific guidance	
The Audit Committee					
Number of Audit Committee members	4	7	2	The Board should establish an audit committee of at least three, or in the case of smaller companies two, members, who should all be independent non-executive Directors (C.3.1)	
Number of instances where the Board Chairman sits on the audit committee	21	N/A	N/A	The independence test is applied to the Chairman only at the point of appointment to the "main Board" (A.3.1), but thereafter the test of independence is not appropriate, and the chairman is no longer considered independent. The Chairman of the company should not be an Audit Committee member (The Smith Guidance, 2.4).	
Number of meetings held during the year	4	13	2	It is recommended that there be no fewer than three meetings during the year, held to coincide with key dates within the financial reporting and audit cycle. (The Smith Guidance, 2.7).	

The Audit Committee (Cont.)					
	Average	Highest	Lowest	Guidance	Comment
Number of companies specifically identifying members with significant recent and relevant financial experience	38	N/A	N/A	The Board should satisfy itself that at least one member of the audit committee has recent and relevant financial experience (C.3.1).	This is a new requirement, and compliance requires changes in the make-up of the committee. It is not sufficient to describe the committee collectively as having sufficient experience to achieve compliance.

Contact us

If you would like further information on any of the matters discussed in this publication please contact any of the following representatives:

Hong Kong



Stephen Lee
Partner in charge
Risk Advisory Services

Tel: +852 2826 7267
Fax: +852 2845 2588
Email: stephen.lee@kpmg.com.hk

Beijing



David Ko
Partner
Risk Advisory Services

Tel: +86 (10) 8518 9234
Fax: +86 (10) 8518 5111
Email: david.ko@kpmg.com.cn

Hong Kong



Michael Lai
Principal
Risk Advisory Services

Tel: +852 2978 8943
Fax: +852 2845 2588
Email: michael.lai@kpmg.com.hk

Shanghai



Alvin Wai
Partner
Risk Advisory Services

Tel: +86 (21) 6288 1922
Fax: +86 (21) 6288 1889
Email: alvin.wai@kpmg.com.cn

Hong Kong



Patty Wu
Principal
Risk Advisory Services

Tel: +852 2143 8705
Fax: +852 2845 2588
Email: patty.wu@kpmg.com.hk

Guangzhou/Shenzhen



Ronald Sze
Partner
Risk Advisory Services

Tel: +86 (20) 3758 8530
Fax: +86 (20) 8732 2883
Email: ronald.sze@kpmg.com.cn

Hong Kong



Derek Jackson
Senior Manager
Risk Advisory Services

Tel: +852 2143 8716
Email: derek.jackson@kpmg.com.hk

Further information is also available on the Audit Committee Institute
Web site: <http://aci.kpmg.com.hk/HK/home.html>

www.kpmg.com.cn

www.kpmg.com.hk



Contact us

Beijing

8th Floor, Tower E2, Oriental Plaza
1 East Chang An Avenue
Beijing 100738, China
Tel : +86 (10) 8518 5000
Fax : +86 (10) 8518 5111

Shanghai

50th Floor, Plaza 66
1266 Nanjing West Road
Shanghai 200040, China
Tel : +86 (21) 5359 4666
Fax : +86 (21) 6288 1889

Guangzhou

29th Floor, Guangzhou International
Electronics Tower
403 Huanshi Dong Road
Guangzhou 510095, China
Tel : +86 (20) 8732 2832
Fax : +86 (20) 8732 2883

Shenzhen

9th Floor, China Resources Building
5001 Shennan East Road
Shenzhen 518001, China
Tel : +86 (755) 2547 1000
Fax : +86 (755) 8266 8930

Hong Kong

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
Tel : +852 2522 6022
Fax : +852 2845 2588

Macau

23rd Floor, D, Bank of China Building
Avenida Doutor Mario Soares
Macau
Tel : +853 781 092
Fax : +853 781 096

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2005 KPMG, the Hong Kong member firm of KPMG International, a Swiss cooperative. All rights reserved. Printed in Hong Kong.
KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.