

Corporate Governance

Statement

In the interest of its equity holders, the Company is committed to high standards of corporate governance and devotes to identifying and formalising best practices. The Company is in compliance with the requirements of local and overseas regulators.

Code on Corporate Governance Practices

The Group has adopted all the Code Provisions in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) except the followings:

1. All the Independent Non-executive Directors and Non-executive Directors are not appointed for specific term but are subject to retirement, rotation and re-election at the Company’s Annual General Meeting; and
2. The Remuneration Committee is composed of three members, of whom one is Independent Non-executive Director and the other two are Non-executive Directors. The Committee is chaired by the Independent Non-executive Director.

The Group has adopted procedures governing directors’ securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules.

Audit Committee

The Audit Committee consists of five members, three of whom are Independent Non-executive Directors who satisfy independent, financial literacy and experience requirements, whilst the other two members are Non-executive Directors and have only observer status with no voting rights. The Committee is chaired by an Independent Non-executive Director, who possesses appropriate professional qualifications and experience in financial matters.

Audit Committee (continued)

The Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial information for the six months ended 30 June 2005 in conjunction with management and external auditors of the Company. The Committee therefore recommended to the Board for approval of the unaudited condensed consolidated financial information for the six months ended 30 June 2005.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Guidelines on Conduct

The Company periodically issues notices to its Directors and employees reminding them that there is a general prohibition on dealing in the Company's listed securities during the blackout periods before the announcement of the interim and annual results.