

Code on Corporate Governance Practices

The Company executed high standard of business ethics and corporate governance practices. The Board considers such commitment essential in achieving high level of transparency and accountability and it is to the best interests of the shareholders.

The Company has complied with all code provisions laying down in the Code on Corporate Governance Practices Appendix 14 of the Listing Rules throughout the accounting period for the six months ended 30 June 2005, except for the following provisions:-

Code Provisions A 4.1 and A 4.2

Code A 4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election.

Code A 4.2 specifies that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Directors of the Company do not have specific term of appointment. However, in accordance with Article 104 (A) of the Articles of Association of the Company, at each Annual General Meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

In compliance of Codes A4.1 and A4.2 in full, the Board has proposed the amendment to the Articles of Association of the Company in respect of retirement of every director (including the non-executive director) at least once every 3 years for shareholders' approval at the coming annual general meeting.

Model Code for Securities Transactions

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on replies from the Company's directors on specific enquiry, the directors have complied with required standard set out in the Model Code, throughout the accounting period covered by the interim report.