

CORPORATE GOVERNANCE

of the Group's corporate governance structure to assess whether any changes, including the separation of the positions of Chairman and Chief Executive Officer, are necessary.

Code Provision A.4.1

None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. In accordance with the provisions of the Bye-laws of the Company, any Director appointed by the Board during the year shall retire and submit themselves for re-election at the first annual general meeting immediately following his/her appointment. Further, 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 but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those in the Code.

Code Provision A.4.2

According to Bye-laws of the Company, the Executive Chairman or Managing or Joint Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. This constitutes a deviation from code provision A.4.2 of the Code. To comply with the code provision, the relevant amendment to the Bye-laws of the Company shall be proposed and approved by the shareholders at a general meeting whereby the Chairman or Managing or Joint Managing Director shall be subject to retirement by rotation.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standard set out in the Code throughout the six months ended 30 June, 2005.

SHARE OPTIONS

Pursuant to the Share Option Scheme (the "Scheme") approved and adopted by the Company on 30 May 2005. The detailed terms of the Scheme will be disclosed in the 2005 annual report.