

## CORPORATE GOVERNANCE

The Board is committed to principles of corporate governance consistent with prudent enhancement and management of shareholder value. These principles emphasise transparency, accountability and independence.

### Board of Directors

The Board currently consists of the Chairman, the Managing Director, two executive directors and three independent non-executive directors. The full Board met 3 times to date in 2005.

In order to reinforce independence, accountability and responsibility, the role of the Chairman is separate from that of the Managing Director.

### Board Committee

The Board has established the Audit Committee and Remuneration Committee with defined terms of reference, which are of no less exacting terms than those set out in the Code on Corporate Governance Practices (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

### Audit Committee

The Audit Committee, comprising the three independent non-executive directors of the Company, has reviewed the unaudited condensed interim financial statements for the six months ended 30 June 2005 and discussed financial related matters with the management. The Audit Committee met twice to date in 2005 with an attendance rate of 100%.

### Remuneration Committee

The Remuneration Committee was established on 25 April 2005 and comprising the three independent non-executive directors of the Company. The Committee's responsibility is to make recommendation to the Board on the Company's policy and structure for all remuneration of directors and senior management, including the allocation of share options to employees under the Scheme. The Remuneration Committee met once to date in 2005 with an attendance rate of 100%.

### Compliance with the Code on Corporate Governance Practices of the Listing Rules

The Company has complied with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim report except with deviations from code provision A.4.1. The independent non-executive directors of the Company have not been appointed for a specific term, but are subject to the same retirement and re-election provisions as set out in the Articles of Association of the Company (the "Articles").

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. On specific enquiries made, the members of the Board have confirmed that they have complied with the required standard set out in the Model Code throughout the six months period ended 30 June 2005.