

Corporate Governance

The Company is committed to the establishment of high standards of corporate governance. The Company has complied with all code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30th September, 2005.

BOARD OF DIRECTORS

The board ("Board") of directors ("Directors") of the Company (together with its subsidiaries, the "Group") oversees the Company's strategic direction and the controls applied to its activities, ensuring that management has in place the appropriate processes for risk assessment, management and internal control over the Company's day-to-day affairs.

The Board comprises six Directors (including two Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors). One-half of the Board is Independent Non-Executive Directors and one of them has appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules. All Directors are subject to retirement by rotation at least once every three years in accordance with the Company's Bye-laws.

The Chairman of the Board is an Independent Non-Executive Director. The positions of the Chairman of the Board and the Managing Director are held by separate individuals with segregated duties relating to management of the Board and day-to-day affairs of the Group.

The Board meets regularly. Between scheduled meetings, division heads of the Group provide the Directors with information on a timely basis on the activities and development in the business of the Group. In addition, the Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

AUDIT COMMITTEE

The principal duties of the Audit Committee of the Company include the review of the Group's financial reporting system and internal control procedures and review of the relationship with the external auditors of the Group. The Group's interim result for the six months ended 30th September, 2005 has been reviewed by the Audit Committee and auditors.

The Audit Committee comprises three Independent Non-Executive Directors, namely:

- Ronald James Blake, *OBE, JP* (Chairman)
- Lee Chack Fan, *SBS, JP*
- Iain Ferguson Bruce

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee of the Company is mainly responsible for making recommendations to the Board on matters relating to investment in assets, budgeting all key expenditure and reviewing financial performance.

Members of the Finance and Investment Committee are:

- Wong Wing Hoo, *Billy, JP* (Chairman)
- Lee Hon Chiu
- Iain Ferguson Bruce

REMUNERATION COMMITTEE

The Remuneration Committee of the Company is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management.

Members of the Remuneration Committee are:

- Ronald James Blake, *OBE, JP* (Chairman)
- Wong Wing Hoo, *Billy, JP*
- Lee Chack Fan, *SBS, JP*

NOMINATION COMMITTEE

The principal duties of the Nomination Committee of the Company include the review of the composition of the Board and if necessary recommends change.

Members of the Nomination Committee are:

- Lee Chack Fan, *SBS, JP* (Chairman)
- Lau Ko Yuen, Tom
- Iain Ferguson Bruce

DISCLOSURES COMMITTEE

The Disclosures Committee of the Company is mainly responsible for overseeing disclosures to shareholders, the public and any relevant statutory authority and overseeing compliance with any applicable legal requirements for disclosure.

Members of the Disclosures Committee are:

- Iain Ferguson Bruce (Chairman)
- Lau Ko Yuen, Tom
- Lee Hon Chiu

EXECUTIVE COMMITTEE

The Executive Committee of the Company is mainly responsible for handling the management and operation of the day-to-day business of the Company.

Members of the Executive Committee are:

- Wong Wing Hoo, Billy, *JP* (Chairman)
- Lee Hon Chiu

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the six months ended 30th September, 2005.