

## CORPORATE GOVERNANCE

The Group has adopted all the Code Provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules except for the following deviations:

### 1. CODE PROVISION A.2.1

The Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Dr. Fan Di currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

### 2. CODE PROVISION A.4.1

The Directors are in the process of defining the composition and terms of reference of the Remuneration Committee.

## AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive directors, namely Iain Ferguson Bruce, Barry John Buttifant and Victor Yang. The Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 30 September 2005.

On behalf of the Board

**Fan Di**  
*Chairman*

Hong Kong, 28 December 2005

