
Corporate Governance

Corporate Governance is highly regarded within the Group. The Group keeps abreast of the best practices in the corporate governance area and strives to implement such practices as appropriate. At present, the roles of Chairman and the Chief Executive Officer (in the case of the Group, the Managing Director) are separated. In addition, Non-Executive Directors (“NEDs”) are appointed for a specific term up to 30 June 2008, subject to re-election according to the procedures set out in the Company’s Articles of Association. NEDs are encouraged to take educational courses at the expense of the Group on duties of the Board and corporate governance. The above-mentioned practices were well implemented and basically follow the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules which came into effect on 1 January 2005.

Compliance with the Code on Corporate Governance Practices

The Company has complied with all the Code Provisions set out in the Appendix 14 of the Listing Rules. As at 30 June 2006, Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee had been formed with their respective terms of reference in force.

Compliance with the Model Code

The Company also established its own written guidelines on securities transactions by Directors and relevant employees (“Guidelines”) on no less exacting terms than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (“Model Code”). Having made specific enquiry of all Directors of the Company, during the six months ended 30 June 2006, all of them were in compliance with the Guidelines.