

Corporate Governance

Statement

In the interest of its shareholders, the Company is committed to high standards of corporate governance and is devoted to identifying and formalising best practices. The Company is in compliance with the requirements of local and relevant overseas regulators in this regard.

Code on Corporate Governance Practices

In the Corporate Governance Report, which was published in our Annual Report 2005, we noted that all the Independent Non-executive Directors (“INEDs”) and Non-executive Directors (“NEDs”) are not appointed for a specific term but are subject to retirement, rotation and re-election at the Company’s Annual General Meeting (“AGM”).

In this Interim Report, we give a brief update that all the INEDs and NEDs are now appointed for a specific term for 3 years and are subject to retirement, rotation and re-election at the Company’s AGMs.

The Group has adopted all the provisions in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) except for the following:

The Remuneration Committee is composed of three members, of whom one is an INED and the other two are NEDs. The Committee is chaired by an INED.

The Group has adopted procedures governing directors’ securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

Audit Committee

The Audit Committee consists of five members, three of whom are INEDs who satisfy independent, financial literacy and experience requirements, whilst the other two members are NEDs and have only observer status with no voting rights. The Committee is chaired by an INED, who possesses appropriate professional qualifications and experience in financial matters.

The Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial information for the six months ended 30 June 2006 in conjunction with management and external auditors of the Company. The Committee recommended to the Board that it should approve the unaudited condensed consolidated financial statements for the six months ended 30 June 2006.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Guidelines on Conduct

The Company periodically issues notices to its Directors and employees reminding them that there is a general prohibition on dealing in the Company's listed securities during the blackout periods before the announcement of the interim and annual results.