

## **CORPORATE GOVERNANCE**

Throughout the interim period, the Company has complied with the Code Provisions set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of the Listing Rules except for the deviations from code provision A.4.1.

Under the code provision A.4.1, the non-executive directors should be appointed for specific terms, subject to re-election. All of the Company's non-executive directors are not appointed for specific terms. However, under the Bye-laws of the Company, at each annual general meeting, one third of the Directors shall retire from office by rotation and every Director shall be subject to retirement at least once every three years. In the opinion of the Board, this meets the same objectives and is no less exacting than those in the CG Code.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six month period ended 30 September 2006.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the management the auditing practices, the internal controls and the financial reporting. In addition, the Audit Committee has reviewed the unaudited interim financial statements for the six month period ended 30 September 2006.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

The Company had not redeemed any of its shares during the six month period ended 30 September, 2006. Neither the Company nor any of its subsidiaries had purchased or sold any of its listed securities during the six month period ended 30 September, 2006.