



CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all Code Provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the Period except for the following deviations:

1. Code Provision A.4.2 – the Company's Articles of Association currently only provide that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not greater than one-third, shall retire from office by rotation but do not expressly require every Director to be subject to retirement by rotation at least once every three years as required under Code Provision A4.2.

It is proposed to amend the Articles of Association of the Company to provide that every Director shall be subject to retirement by rotation at least once every three years in compliance with this Code Provision.

2. Code provision B.1 – the Company has not yet established a remuneration committee with specific terms of reference during the Period.

The Board has established a remuneration committee with specific written terms of reference and in accordance with this Code Provision in September, 2005.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. All Directors have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

BOARD OF DIRECTORS

As at the date of this report, the board of the Company comprises nine executive directors, namely, Mr. Soopakij Chearavanont, Mr. Tse Ping, Dr. Lee G. Lam, Mr. Narong Chearavanont, Mr. Supachai Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Kachorn Chiaravanont, Mr. Yang Xiaoping and Mr. Robert Ping-Hsien Ho and three independent non-executive directors, namely, Mr. Viroj Sangsnit, Mr. Chokchai Kotikula and Mr. Cheng Yuk Wo.

By Order of the Board
Soopakij Chearavanont
Chairman

Hong Kong, 8th September, 2005