

**12. PURCHASE, SALE AND REDEMPTION OF SHARES**

During the reporting period, the Company and its subsidiaries did not purchase, sell or redeem any listed shares of the Company.

**13. CORPORATE GOVERNANCE****(1) Corporate governance practice code**

The Board of the Company confirmed that the Company has complied with the provisions of the corporate governance practice code for the six months ended 30 June 2006. The provisions of the corporate governance practice code includes the terms set out on appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

**(2) Audit Committee**

The Company has established the Audit Committee in accordance with Rule 3.2.1 of the Listing Rules.

The Audit Committee, together with the management, has reviewed the accounting principles, accounting standards and methods adopted by the Company and has studied matters in relation to auditing, internal control and financial reporting, including the financial accounting principles, standards and methods adopted in preparing the unaudited accounts for the six months ended 30 June 2006. The Audit Committee consented the financial accounting principles, standards and methods adopted in preparing the unaudited accounts for the six months ended 30 June 2006.

**(3) Independent non-executive director**

The Company has complied with the requirement of Rule 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of adequate number of independent non-executive director, and at least one independent non-executive director has the necessary suitable professional qualification or has suitable accounting or relevant financial management expertise. The Company has appointed five independent non-executive directors, of which one independent non-executive director has the expertise of financial management. Details of the profile of independent non-executive director can be referred to the 2005 annual report of the Company.

**(4) Model Code for the Securities Transaction carried out by Directors of Listed Company ("Model Code")**

During the reporting period, the Company has adopted a set of behavioral code not lower than such standard set out in the Model Code. Having made specific enquiries, no directors and supervisors of the Company were in breach of the standard of requirement in securities transaction of directors set out in the Model Code of appendix 10 of the Listing Rules.

**14. SUBSEQUENT EVENTS**

Nil

**DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the office of the Board of Directors of the Company:

1. The interim report as signed by the Chairman;
2. The financial report as signed and sealed by legal representative, the person in-charge of finance and the head of the financial department;
3. The originals of all of the documents and announcements of the Company which have been disclosed in prescribed newspapers during the reporting period.