

CORPORATE GOVERNANCE

Audit Committee

The Company has established an audit committee (“Audit Committee”) in January 2000. Written terms of reference in compliance with the Listing Rules has been adopted for the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Henry Cheong, Ms. Anna Wu and Mr. James Sha and a non-executive Director, namely, Mrs. Angelina Lee. Mr. Henry Cheong is the chairman of the Audit Committee.

The unaudited consolidated results of the Group for the six months ended 30 June 2006 have been reviewed by the Audit Committee.

Code on Corporate Governance Practices

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2006.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2006.

OTHER INFORMATION

Purchase, Sale or Redemption of 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 shares.

As at the date hereof, the directors of the Company are:

Executive Directors:

Ms. Tommei Tong

Ms. Angela Mak

Non-executive Directors:

Mr. Frank Sixt (Chairman)

Ms. Debbie Chang

Mrs. Susan Chow

Mr. Edmond Ip

Mrs. Angelina Lee

Mr. Wang Lei Lei

Independent non-executive Directors:

Mr. Henry Cheong

Ms. Anna Wu

Mr. James Sha