



Code Provision A4.2 stipulates that all directors appointed to fill a casual vacancy should retire and be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

At the Annual General Meeting of the Company held on 19th May 2006, a special resolution was passed to amend the relevant Articles of Association of the Company so that every director appointed by the Board during the year shall retire at the next general meeting. Also, every director shall be subject to retirement at least once every three years.

Code Provisions A4.1 and A4.2 have been fully complied with since 19th May, 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on replies from the Company's directors on specific enquiry, all the directors have complied with required standard set out in the Model Code throughout the accounting period covered by the interim report.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

PURCHASE, REDEMPTION AND SALE OF LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the period.

By Order of the Board
Feng Guorong
Chairman

Hong Kong, 8 September 2006