

## AUDIT COMMITTEE

The Audit Committee has reviewed, with the assistance of the Company's auditors, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the interim financial statements for the six months ended 30 June 2006 which have not been audited.

## CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures. In order to align with the code provisions of the Code of Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Listing Rules, a special resolution was passed at the 2006 annual general meeting of the Company held on 15 June 2006 to alter the Articles of Association of the Company to specify that every director of the Company should be subject to retirement by rotation at least once every three years.

The Company has complied with the code provisions set out in the CG Code throughout the six months ended 30 June 2006.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standards set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the code.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Listing Rules during the period and up to the date of this report.

## MEMBERS OF THE BOARD

As at the date of this report, the Board consists of Mr Jiang Quanlong, Ms Qian Yuanying, Ms Xu Panfeng and Mr Jiang Cainan as executive directors and Mr Liu Yuju, Mr Huang Chunhua and Mr Jin Zhong as independent non-executive directors.

By order of the Board  
**Jiang Quanlong**  
*Chairman*

Hong Kong, 19 September 2006