

## **INTERIM DIVIDEND**

The Board has decided that an interim dividend of HK\$0.03 per ordinary share be paid to the shareholders for the period under review. The dividend will be payable to the shareholders on Monday, 23 October 2006.

## **Closure of Register of Members**

The register of members of the Company will be closed from Monday, 9 October 2006 to Friday, 13 October 2006, both days inclusive, during which no transfer of shares will be effected.

In order to qualify for the interim dividend mentioned above, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch of share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4.00 pm on Friday, 6 October 2006.

## **CORPORATE GOVERNANCE PRACTICES**

### **Code on Corporate Governance Practices**

According to the previous Bye-law 87 of the Company, the Chairman and the Managing Director of the Company are not subject to retirement by rotation. At the annual general meeting held on 24 May 2006, the Bye-law 87 has been amended to comply with Code A.4.2.

In the opinion of the Board, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2006 except for the following:

### ***Code Provision A.4.1***

Code C.4.1 specifies that non-executive directors should be appointed for a specific term and are subject to re-election.

**CORPORATE GOVERNANCE PRACTICES** (continued)**Code on Corporate Governance Practices** (continued)

Directors of the Company were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with Bye-law 87 of the Company.

**Code Provision C.3.4**

Code C.3.4 specifies that the terms of reference of the Audit Committee are required to be available on request and included on the issuer's website.

The terms of reference of the Audit Committee are currently under review and have yet to be posted on the Company's website.

**Code Provision E.1.2**

Code E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting.

The Chairman of the Company was not able to attend the annual general meeting held on 24 May 2006. However, Mr. Sze Sun Sun Tony, Deputy Chairman and the Managing Director of the Company took the chair pursuant to the Bye-law of the Company.

**Appointment/Resignation of Directors**

At the annual general meeting of the Company held on 24 May 2006, Mr. Ku Edward Y, Mr. Cheng Kar Shing and Mr. Feng Lei Ming retired as directors of the Company and offered themselves for re-election.

As from 24 May 2006 and up to the date of this report, the directors of the Company are:

*Executive Directors*

Mr. Li Kwok Lung Alfred Ronald (*Chairman*)  
 Mr. Sze Sun Sun Tony  
     (*Deputy Chairman and Managing Director*)  
 Mr. Chang Tsung Yuan (*Deputy Chairman*)  
 Mr. Ku Edward Y  
 Mr. Chan Lu Min  
 Dr. Ho Ting Seng

*Non-executive Directors*

Mr. Li I Nan  
 Mr. Chan Ting Chuen

*Independent Non-executive Directors*

Mr. Cheng Kar Shing  
 Mr. Feng Lei Ming  
 Mr. Ho Shing Chak

## **CORPORATE GOVERNANCE PRACTICES** (continued)

### **Audit Committee**

The Audit Committee currently comprises of three independent non-executive directors and one non-executive director of the Company as members. The function of the Audit Committee is to assist the Board in fulfilling its duties by reviewing and supervising the Company's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2006.

### **Remuneration Committee**

On 29 December 2005, the Company established a Remuneration Committee with specific terms of reference. The Remuneration Committee comprises three independent non-executive directors namely Mr. Cheng Kar Shing, Mr. Feng Lei Ming and Mr. Ho Shing Chak.

### **Purchase, Sale or Redemption of Shares**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

## **APPRECIATION**

The Board would like to thank our customers, suppliers and shareholders for their support and confidence in the Group.

On behalf of the Board  
**Li Kwok Lung Alfred Ronald**  
*Chairman*

Hong Kong, 18 September 2006