

## COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2006, the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except that Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings and that the chairman of the board did not attend the annual general meeting of the Company held on 26 May 2006.

## COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Code"). Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standards as set out in the Code during the period.

## DIRECTORS

As at the date hereof, the Board is comprised of Mr. Liu Xiao Guang, Mr. Cheng Bing Ren, Mr. Lawrence H. Wood and Mr. Liu Xue Min as Executive Directors, Mr. Kwong Chun Wai Michael, Mr. To Chun Kei and Mr. Fung Tse Wa as independent Non-executive Directors.

By Order of the Board

**Liu Xiao Guang**

*Chairman*

Hong Kong, 20 September 2006