

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the period from 1 January 2006 to 30 June 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

AUDIT COMMITTEE

The Audit Committee of the Company comprises Messrs. Chan Kay Cheung, Wong Po Yan and Yin Yongli, being all independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim report for the period, and discussed with management the accounting principles and practices and internal controls of the Group.