



CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 8 January 2007 to Wednesday, 10 January 2007, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining entitlements to the interim dividend. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Registrars in Hong Kong, Secretaries Limited, Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong, not later than 4:30 p.m. 5 January 2007. The interim dividend will be paid on or around 16 April 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six month ended 30 September 2006, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("the Code") in Appendix 14 of the Listing Rules during the six months ended 30 September 2006, except the followings:

- (1) Code A2.1 specifies that the roles of chairman and chief executive officer should be separate and should not be performed by the same person. Currently, Mr Pan Su Tong is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority. And the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. Notwithstanding the above, the Board will review the current structure from time to time. If candidate with suitable leadership, knowledge, skill and experience can be identified within or outside the Group, the Company may make necessary changes at appropriate time.
- (2) Code A4.1 specifies that non-executive directors should be appointed for a specific term. Currently, all the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation at Annual General Meeting of the Company in accordance with Memorandum and Articles of Association of the Company.



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2006.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. Terms of reference of the Audit Committee have been updated in compliance with the Code.

The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited consolidated interim financial statements for the six months ended 30 September 2006.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee"). comprises Mr. Pan Su Tong, the executive director; Mr. Lai Chi Kin, Lawrence and Dr. Ng Lai Man, Carmen, the independent non-executive directors. The principal functions of the Remuneration Committee include reviewing the remuneration policies of the Company, assessing the performance of the directors and senior management of the Company and determining policies in respect to their remuneration packages.

MEMBERS OF THE BOARD OF DIRECTORS

As at the date of this report, the Board comprises Mr. Pan Su Tong and Professor Huang Xiaojian as executive directors and Mr. Lai Chi Kin, Lawrence, Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai as independent non-executive directors.

By order of the Board
Pan Su Tong
Chairman

Hong Kong, 5 December 2006