

CORPORATE GOVERNANCE

The Company had complied throughout the Period with the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules except that the non-executive directors of the Company were not appointed for specific term, however, in accordance with the bye-laws of the Company, one-third of the Directors for the time being shall retire from office by rotation (provided that every Director shall be subject to retirement at least once every three years) and be eligible for re-election at the annual general meeting of the Company. The Directors will continue to review and assess the effectiveness of the adopted practices.

MODEL CODE FOR SECURITIES

The Company had adopted the Model Code of the Listing Rules as its codes of conduct regarding securities transactions by Directors and relevant employees. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the Model Code.

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

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

By Order of the Board

Luk Siu Man, Semon

Chairperson

Hong Kong, 19th December, 2006

As at the date hereof, the Board of the Company comprised 1. Chairperson and Non-Executive Director: Ms. Luk Siu Man, Semon, 2. Managing Directors: Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa; 3. Executive Directors: Ms. Mok Fung Lin, Ivy and Mr. Chan Pak Lam, Tom; 4. Independent Non-Executive Directors: Mr. Chan Man Hon, Eric (Chairman of the audit committee), Mr. Wan Chi Keung, Aaron and Mr. Liu Hing Hung.