

# Report of the Directors

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2006.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries of the Group are mainly engaged in the extraction, refining, blending, bottling, packaging and distribution of edible oils and ancillary activities. There were no significant changes in the nature of the Group's principal activities during the year.

## RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 28 to 86.

The directors do not recommend the payment of any dividend for the year.

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 87 and 88. This summary does not form part of the audited financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

## SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND RESERVES

Details of movements in the Company's share capital, share options and warrants during the year, together with the reasons therefor, are set out in notes 26 and 27 to the financial statements. The movements in the reserves of the Company and of the Group during the year are set out in note 28 to the financial statements and in the consolidated statement of changes in equity, respectively.

Details of the distributable reserves of the Company are set out in note 28(b) to the financial statements.

## BORROWINGS

Particulars of the borrowings of the Group at the balance sheet date are set out in notes 23 and 24 to the financial statements.

# Report of the Directors

## DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Hung Hak Hip, Peter\* (*Chairman*)

Wong Yu Hong, Philip\*\*

Sze Tsai To, Robert\*\*

Cheung Wing Yui, Edward\*\*

Seto Gin Chung, John\*\*

(appointed on 25 April 2006)

Shek Lai Him, Abraham\*\*

(appointed on 1 January 2007)

Hung Chiu Yee\*

Lee Pak Wing\*

Wong Kwok Ying

Lam Fung Ming, Tammy

\* *Non-executive directors*

\*\* *Independent non-executive directors*

All directors, including the independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws. At the forthcoming annual general meeting, Dr. Wong Yu Hong, Philip, Mr. Cheung Wing Yui, Edward, Mr. Shek Lai Him, Abraham and Ms. Hung Chiu Yee retire and, being eligible, offer themselves for re-election.

## DIRECTORS' AND SENIOR EXECUTIVES' BIOGRAPHIES

### (a) Non-executive directors

**Hung Hak Hip, Peter**, aged 62, Chairman, is a chartered accountant and worked in the Hong Kong securities industry before joining the Group in 1975. Mr. Hung is the brother of Ms. Hung Chiu Yee, a non-executive director of the Group. As disclosed under "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares", associates of Mr. Hung are discretionary beneficiaries of a discretionary trust which beneficially owns securities in the Company.

**Dr The Hon Wong Yu Hong, Philip**, *GBS, JD, Ph D*, aged 68, appointed a director of the Group in 1989, is a prominent businessman who serves on the board of a number of public organisations, including deputy of the National People's Congress, member of the Legislative Council for the Hong Kong Special Administrative Region ("SAR"), Life Honorary Chairman of the Chinese General Chamber of Commerce and board member of the Hong Kong Trade Development Council. Dr. Wong received the Gold Bauhinia Star Award from the Hong Kong SAR Government in 2003. He received the Courvoisier Awards for Business Excellency from the then Chief Justice of Hong Kong, Sir Denys Roberts, in 1986.

# Report of the Directors

## DIRECTORS' AND SENIOR EXECUTIVES' BIOGRAPHIES (Continued)

### (a) Non-executive directors (Continued)

**Sze Tsai To, Robert**, aged 66, was appointed a director of the Group on 1 June 2000. Mr. Sze is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and was a partner in an international firm of accountants with which he practised for over 20 years. He is a non-executive director of a number of Hong Kong listed companies and is also a member of the Shanghai Committee of the Chinese People's Political Consultative Conference.

**Cheung Wing Yui, Edward**, aged 57, appointed a director of the Group in 1989, is a consultant of Woo, Kwan, Lee & Lo, solicitors. Mr. Cheung is also a qualified solicitor in England and Singapore and a member of CPA Australia.

**Seto Gin Chung, John**, aged 58, appointed a director of the Group on 25 April 2006, is a director of Pacific Eagle Asset Management Limited since January 2006. He is an independent non-executive director of China Everbright Limited and Kowloon Development Company Limited. He was the Chief Executive Officer of HSBC Broking Services (Asia) Limited from 1982 to 2001. He was the chairman and a non-executive director of International Financial Network Holdings Limited from 2001 to 2005. He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 2000 to 2003, a council member of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 1994 to 2000 and was the first vice chairman of the Stock Exchange from 1997 to 2000. He holds a Master of Business Administration degree from New York University, USA and has over 30 years of experience in the securities and futures industry.

**The Hon Shek Lai Him, Abraham, J.P.**, aged 61, was appointed a director of the Group on 1 January 2007. Mr. Shek graduated from the University of Sydney, Australia with a Bachelor of Arts. Mr. Shek is a member of the Legislative Council for the Hong Kong SAR representing real estate and construction functional constituency since 2000. Currently, Mr. Shek is a member of the Council of The Hong Kong University of Science & Technology and member of the Court of The University of Hong Kong. He is also a member of the Managing Board of Kowloon-Canton Railway Corporation and a director of The Hong Kong Mortgage Corporation Limited. Mr. Shek was appointed as a Justice of the Peace in 1995. Mr. Shek is an independent non-executive director of a number of Hong Kong listed companies.

**Hung Chiu Yee**, aged 66, appointed a director of the Group in 1988, holds a Bachelor of Science degree and was a former senior executive of the Group. She has business interests in cosmetics and trading. Ms. Hung is the sister of Mr. Hung Hak Hip, Peter.

**Lee Pak Wing**, aged 61, holds a Master of Science degree in production technology. He joined the Group in 1979 prior to which he was a systems manager with Tyco Industries Limited. He was formerly the Vice-chairman of the Group.

# Report of the Directors

## DIRECTORS' AND SENIOR EXECUTIVES' BIOGRAPHIES (Continued)

### (b) Executive directors

**Wong Kwok Ying**, aged 47, is the Chief Financial Officer and Company Secretary of the Group and was appointed a director of the Company on 10 January 2000. Mr. Wong is a certified public accountant (practising) in Hong Kong and has over 25 years' experience in finance, accounting and audit. Prior to joining the Group in 1990, he worked with one of the international accounting firms in Hong Kong.

**Lam Fung Ming, Tammy**, aged 43, is the Chief Operating Officer of the Group and responsible for the Group's sales activities, manufacturing, quality assurance and product development. She holds a Bachelor of Science degree in Food Science and Technology and a Higher Diploma in Chemical Technology from the Hong Kong Polytechnic University. She has over 15 years' experience in the oil and food industry. She joined the Group in 1990 and was appointed a director on 1 November 2004.

### (c) Senior executives

**Lian Bai Xiang**, aged 58, is the General Manager for the Group's PRC operations. He obtained a Diploma in Industrial Enterprise Management from the Shanghai University of Textile in 1987. He has held various managerial positions with PRC entities for over 20 years. He is also the general manager of a Sino-foreign equity joint venture of the Group. Mr. Lian joined the Group in 1993.

**Wan Kam Shing**, aged 58, is the General Manager for the Group's sales activities in the southern China region. He has managerial experience in cold storage, food service sales and sales of fast moving consumer goods in Hong Kong and Mainland China. Mr. Wan joined the Group in 1997.

**Tai Bik Yin**, aged 45, is the company secretarial and human resources manager of the Group. She is an associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in UK. She holds a bachelor of law degree from Peking University and a master of law degree in Chinese and Comparative Law from the City University of Hong Kong. Ms. Tai joined the Group in 2005.

## DIRECTORS' INTERESTS IN CONTRACTS

Other than the transactions disclosed under the heading "Connected Transactions and Continuing Connected Transactions", none of the directors had a significant interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

## DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting was a party to any service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

# Report of the Directors

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2006, the interests of the directors and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, were as follows:

### Interests in ordinary shares of the Company

Name of director	Number of shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust		
Hung Hak Hip, Peter	—	1,396,645	3,601,607	3,227,420*	8,225,672	2.0
Wong Yu Hong, Philip	2,045,565	—	—	—	2,045,565	0.5
Sze Tsai To, Robert	2,045,565	—	—	—	2,045,565	0.5
Cheung Wing Yui, Edward	2,443,565	—	—	—	2,443,565	0.6
Seto Gin Chung, John	—	—	—	—	—	—
Hung Chiu Yee	772,673	—	—	—	772,673	0.2
Lee Pak Wing	—	—	—	—	—	—
Wong Kwok Ying	—	—	—	—	—	—
Lam Fung Ming, Tammy	—	—	—	—	—	—

\* 3,227,420 shares were beneficially owned by a discretionary trust whose discretionary beneficiaries include associates of Hung Hak Hip, Peter.

# Report of the Directors

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

### Interests in warrants of the Company

Name of director	Number of warrants held, capacity and nature of interest				Total
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	
Hung Hak Hip, Peter	—	279,329	720,321	645,483**	1,645,133
Wong Yu Hong, Philip	—	—	—	—	—
Sze Tsai To, Robert	—	—	—	—	—
Cheung Wing Yui, Edward	79,600	—	—	—	79,600
Seto Gin Chung, John	—	—	—	—	—
Hung Chiu Yee	154,534	—	—	—	154,534
Lee Pak Wing	—	—	—	—	—
Wong Kwok Ying	—	—	—	—	—
Lam Fung Ming, Tammy	—	—	—	—	—

\*\* 645,483 warrants were beneficially owned by a discretionary trust whose discretionary beneficiaries include associates of Hung Hak Hip, Peter.

Details of the interests of the directors in the share options of the Company are separately disclosed in note 27 to the financial statements.

Save as disclosed above, as at 31 December 2006, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO.

### SHARE OPTION SCHEME

Details of the Company's share option scheme are disclosed in note 27 to the financial statements.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above and in the share option scheme disclosures in note 27 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their respective spouse or minor children to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

# Report of the Directors

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2006, the interests of those persons (other than the directors and chief executive) holding 5% or more in the shares and underlying shares of the issued share capital of the Company, as notified to the Company and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

### Interests in ordinary shares of the Company

Name of holder	Notes	Number of ordinary shares held	Percentage of the Company's issued share capital
Hung's (1985) Limited ("Hung's")	(i)	117,136,083	27.9%
Hop Hing Oil (1985) Limited ("HHO")	(ii)	155,392,698	37.1%
GZ Trust Corporation ("GZTC")	(iii)	272,528,781	65.0%
Hung Cheung Pui	(iv)	272,528,781	65.0%
Hap Seng Consolidated Berhad ("HSCB")		21,335,277	5.1%
Gek Poh (Holdings) Sdn. Bhd ("GPHSB")	(v)	21,335,277	5.1%
Datuk Seri Panglima Lau Cho Kun ("DSPL")	(vi)	21,335,277	5.1%

Notes:

- (i) Hung's is the registered holder of the shares disclosed above.
- (ii) HHO is the registered holder of the shares disclosed above.
- (iii) GZTC is the registered holder of the majority units of certain unit trusts, of which Hung's and HHO are trustees. By virtue of the SFO, GZTC is deemed to be interested in the shares held by Hung's and HHO.
- (iv) Hung Cheung Pui is the founder of two discretionary trusts, of which GZTC is the trustee. By virtue of the SFO, Hung Cheung Pui is deemed to be interested in the disclosed interest of GZTC mentioned in note (iii).
- (v) HSCB is held as to 52.9% by GPHSB. By virtue of the SFO, GPHSB is deemed to be interested in the disclosed interest of HSCB mentioned above.
- (vi) DSPL holds 56% interest in GPHSB. By virtue of the SFO, DSPL is deemed to be interested in the disclosed interest of GPHSB mentioned in note (v).

# Report of the Directors

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

### Interests in warrants of the Company

Name of holder	Notes	Number of warrants held
Hung's	(i)	23,427,216
HHO	(ii)	31,078,539
GZTC	(iii)	54,505,755
Hung Cheung Pui	(iv)	54,505,755
HSCB		4,267,055
GPHSB	(v)	4,267,055
DSPL	(vi)	4,267,055

#### Notes:

- (i) Hung's is the registered holder of the warrants disclosed above.
- (ii) HHO is the registered holder of the warrants disclosed above.
- (iii) GZTC is the registered holder of the majority units of certain unit trusts, of which Hung's and HHO are trustees. By virtue of the SFO, GZTC is deemed to be interested in the warrants held by Hung's and HHO.
- (iv) Hung Cheung Pui is the founder of two discretionary trusts, of which GZTC is the trustee. By virtue of the SFO, Hung Cheung Pui is deemed to be interested in the disclosed interest of GZTC mentioned in note (iii).
- (v) HSCB is held as to 52.9% by GPHSB. By virtue of the SFO, GPHSB is deemed to be interested in the disclosed interest of HSCB mentioned above.
- (vi) DSPL holds 56% interest in GPHSB. By virtue of the SFO, DSPL is deemed to be interested in the disclosed interest of GPHSB mentioned in note (v).

Save as disclosed above, as at 31 December 2006, the Company had not been notified of any persons, other than the directors of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



# Report of the Directors

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

### Connected Transactions

On 30 August 2006, Hop Hing Oil (Holdings) Limited ("HHOH"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Share Purchase Agreement") with Hung's Investments Limited ("HIL"). Pursuant to the Share Purchase Agreement, HIL acquired and HHOH disposed of 12,896 ordinary shares of HK\$1.00 each in the issued share capital of Able Mark (HK) Limited ("AMHK"), a former indirect wholly-owned subsidiary of HHOH, and all shareholders' loans owed by AMHK to HHOH and outstanding at the completion of the Share Purchase Agreement for an aggregate consideration of approximately HK\$2.6 million.

HIL is a connected person of the Group under the Listing Rules in that the entire issued share capital of HIL is held by a trustee of a discretionary trust whose discretionary beneficiaries include associates of Mr. Hung Hak Hip, Peter, the non-executive Chairman of the Company.

Details of the connected transactions were set out in the Company's announcement dated 30 August 2006.

### Continuing Connected Transactions

Wytak Limited ("Wytak"), let certain premises under a tenancy agreement dated 29 April 2005 (the "Old Tenancy Agreement") to Hop Hing Oil Factory Limited, an indirect wholly-owned subsidiary of the Company.

The aggregate rent paid under the Old Tenancy Agreement by the Group in the period from 1 January 2006 to 28 April 2006, the date on which the Old Tenancy Agreement was terminated, amounted to approximately HK\$1.1 million which did not exceed the annual threshold under Rule 14A.34 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

On 8 May 2006, Hop Hing Oil Investment Limited, an indirect wholly-owned subsidiary of the Company, entered into two tenancy agreements (the "New Tenancy Agreements") with Wytak, for renting certain premises from Wytak in the period from 29 April 2006 to 28 April 2009.

The aggregate rent paid under the New Tenancy Agreements by the Group in the period from 29 April 2006 to 31 December 2006 was approximately HK\$2.3 million which did not exceed the annual threshold under Rule 14A.34 of the Listing Rules.

Panyu Hop Hing Oils & Fats Co. Ltd., an indirect wholly-owned subsidiary of the Company, entered into a sales agreement (the "Sales Agreement") with Shenzhen You Rong Retail Co. Ltd. ("Shenzhen You Rong") on 5 August 2005 for the sale of various edible oil products manufactured by the Group to Shenzhen You Rong.

# Report of the Directors

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (Continued)

### Continuing Connected Transactions (Continued)

The aggregate sales by Panyu Hop Hing to Shenzhen You Rong under the Sales Agreement in the year ended 31 December 2006 was approximately HK\$3.4 million.

Wytak and Shenzhen You Rong are connected persons of the Group under the Listing Rules by virtue of them being associates of a substantial shareholder of the Company. In addition, Mr. Hung Hak Hip, Peter is a director of Shenzhen You Rong.

Details of the continuing connected transactions were set out in the Company's announcements dated 29 April 2005, 5 August 2005 and 8 May 2006.

In respect of the Old Tenancy Agreement, the New Tenancy Agreements and the Sales Agreement which constitute continuing connected transactions, the Company has fully complied with the reporting requirements under Rule 14A.45 of the Listing Rules and annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules. Independent shareholders' approval of these transactions is not required as the threshold stipulated under Rule 14A.34 of the Listing Rules has not been exceeded at any relevant time.

The independent non-executive directors have reviewed and confirmed that the continuing connected transactions arising from the Old Tenancy Agreement, the New Tenancy Agreements and the Sales Agreement during the year had been entered into (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reviewed the continuing connected transactions arising from the Old Tenancy Agreement, the New Tenancy Agreements and the Sales Agreement and confirmed that the transactions (i) had received the approval of the Board of Directors of the Company; (ii) had been entered into in accordance with the Old Tenancy Agreement, the New Tenancy Agreements and the Sales Agreement governing the transactions; and (iii) had not exceeded the annual cap disclosed in the announcements of the Company dated 29 April 2005, 5 August 2005 and 8 May 2006.

Save for the connected transactions and continuing connected transactions disclosed above, there were no other transactions which, in the opinion of the directors, constitute connected transactions that are subject to the reporting requirement under the Listing Rules.

# Report of the Directors

## DISCLOSURES PURSUANT TO RULE 13.22 OF THE LISTING RULES

### Advances and Guarantees to an Affiliated Company

As at 31 December 2006, the following advances were made to and guarantees were given for banking facilities granted to Evergreen Oils & Fats Limited ("Evergreen"), an affiliated company of the Company:

Affiliated company	Percentage of equity held by the Group	Balance of advances HK\$'000	Guarantees Given HK\$'000	Extent of guaranteed facilities utilised HK\$'000	Aggregate of advances and guarantees given HK\$'000
Evergreen	50%	13,607	54,500	32,849	68,107

Evergreen is a jointly-controlled entity whose interests are held as to 50% by Lawshun Holdings Limited, an indirect wholly-owned subsidiary of the Company, and 50% by an independent third party. The advances are trade receivables arising from the ordinary course of business of the Group and are unsecured, interest-free and repayable on demand.

The relevant percentage ratio of the above advances to and guarantees given for the banking facilities granted to Evergreen in aggregate exceeded 8% under Rule 13.16 of the Listing Rules.

# Report of the Directors

## DISCLOSURES PURSUANT TO RULE 13.22 OF THE LISTING RULES (Continued)

### Advances and Guarantees to an Affiliated Company (Continued)

Pursuant to the continuing disclosure requirements under Rule 13.22 of the Listing Rules, the balance sheet of Evergreen and the Group's attributable interest in Evergreen as at 31 December 2006 are presented below:

	HK\$'000
Non-current assets	18,058
Current assets	239,159
Current liabilities	(139,708)
Net current assets	99,451
Total assets less current liabilities	117,509
Non-current liabilities	(1,288)
Net assets	116,221
Issued capital	100,000
Reserves	16,221
Capital and reserves	116,221
Attributable interests of the Group's share of net assets	58,111

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. The percentage of purchases attributable to the Group's five largest suppliers accounted for 42.2% of the total purchases for the year with purchases from the largest supplier included therein amounted to 19%.

To the best knowledge of the Directors, neither the Directors, their associates, nor any shareholders who own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and five largest suppliers during the year.

# Report of the Directors

## RETIREMENT BENEFITS SCHEMES

The Group operates defined contribution retirement benefits schemes, namely the Mandatory Provident Fund Scheme (the "MPF Scheme") and the scheme registered under the Occupational Retirement Scheme Ordinance which has been exempted under the MPF Schemes Ordinance (the "Exempted Scheme") for those employees who are eligible to participate. Contributions are made based on a percentage of the employees' salaries and are charged to the income statement as they become payable in accordance with the rules of the respective schemes. The assets of the respective schemes are held separately from those of the Group in independently administered funds. In accordance with the MPF Schemes Ordinance, when an employee leaves the Exempted Scheme prior to his/her interest in the employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions. For the MPF Scheme, the employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 11% of its payroll costs to the central pension scheme.

For the year ended 31 December 2006, the total scheme contributions made by the Group amounted to approximately HK\$1,230,000 and forfeited contributions applied to reduce employer's contributions were approximately HK\$67,000. As at 31 December 2006, there was no forfeited contribution available to reduce future contributions to the Exempted Scheme.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

There were no purchases, sales or redemptions by the Company or any of its subsidiaries of the Company's listed securities during the year.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

## POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 36 to the financial statements.



# Report of the Directors

## AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**HUNG HAK HIP, PETER**

*Chairman*

19 April 2007