

## DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the Company for the year ended 31 March, 2007.

### Principal Activities

The Company is an investment holding company. The activities of its principal subsidiaries, associates and jointly-controlled entities are set out in notes 45, 21 and 20, respectively to the consolidated financial statements.

### Results and Appropriations

Details of the Group's results for the year are set out in the consolidated income statement on page 23.

The directors recommended the payment of a final dividend 0.8 HK cents per share of HK\$0.008 each, payable to shareholders of the Company whose names are on the register of members on 28 August, 2007.

### Investment Properties

During the year, the Group acquired an investment property at fair value of HK\$163,000,000 and disposed of investment properties with carrying values of approximately HK\$230,000,000, details of which are set out in note 34(a).

The Group revalued all of its investment properties at the balance sheet date. The increase in fair value of investment properties, which amounted to HK\$142,919,000, has been credited directly to the consolidated income statement.

Details of these and other movements in the investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

### Property, Plant and Equipment

During the year, the Group incurred expenditure of approximately HK\$672,000 on the acquisition of property, plant and equipment.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

### Share Capital

Details of the movements in the share capital of the Company during the year are set out in note 31 to the consolidated financial statements.

## DIRECTORS' REPORT

### Borrowings

Details of bank borrowings of the Group are set out in note 30 to the consolidated financial statements. No interest was capitalised by the Group during the year.

### Distributable Reserves of the Company

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 March, 2007 including contributed surplus and accumulated profits amounted to HK\$543,497,000 (2006: HK\$404,912,000).

### Major Customers and Suppliers

The aggregate sale during the year attributable to the Group's five largest customers was less than 30% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases.

### Directors

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

#### Non-executive director:

Mr. Chung Cho Yee, Mico

#### Executive directors:

Ms. Ma Wai Man, Catherine

Mr. Chow Hou Man

Mr. Hubert Chak (appointed on 1 June, 2007)

Mr. Kan Sze Man (appointed on 1 June, 2007)

#### Independent non-executive directors:

Dr. Lam Lee G.

Dato' Wong Sin Just

Mr. Cheng Yuk Wo

## DIRECTORS' REPORT

### Directors (Continued)

Pursuant to Bye-law 99(A) of the Bye-Laws, Mr. Cheng Yuk Wo and Mr. Chow Hou Man shall retire by rotation. In addition, Mr. Hubert Chak and Mr. Kan Sze Man being directors appointed by the Board after the annual general meeting of the Company held on 29 August, 2006 will hold office until the forthcoming annual general meeting pursuant to Bye-laws 102(B). All retiring directors, being eligible, offer themselves for re-election.

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The terms of office of each non-executive director is the period up to the retirement by rotation in accordance with the Company's bye-laws.

### Directors and Senior Management Profile

#### Non-Executive Chairman and Non-Executive Director

**Mr. Chung Cho Yee, Mico**, aged 46, Non-Executive Chairman and Non-Executive Director of the Company, joined the Group in 2004, graduated from the University College, University of London, England, with a law degree in 1983. He qualified as a solicitor in Hong Kong in 1986. Mr. Chung is currently holding directorships in E2-Capital (Holdings) Limited, PCCW Limited and Hong Kong Construction (Holdings) Limited, all being companies listed on the Stock Exchange. He is also a director of JALECO Ltd., a company listed on Nasdaq Securities Exchange Inc.

#### Executive Directors

**Ms. Ma Wai Man, Catherine**, aged 41, Executive Director and Company Secretary of the Company, joined the Group in 2001. Ms. Ma, a graduate of the City University of Hong Kong, is a chartered secretary and a fellow of Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. Ms. Ma has extensive management experience in companies with diversified interests ranging from manufacturing, telecommunications to infrastructure and property investments. She has also held executive directorship in a number of companies listed on local and overseas stock exchanges before joining the Company.

**Mr. Chow Hou Man**, aged 36, Executive Director and Chief Financial Officer of the Company, joined the Group in 2001. Mr. Chow graduated from the Baptist University and holds a MBA degree from the Hong Kong Polytechnic University. He has over 10 years of financial experience in various companies listed in Hong Kong and overseas and an international firm of certified public accountants. He is a member of both Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants.

**Mr. Hubert Chak**, aged 46, joined the Company as Group Chief Operating Officer in April, 2007. He was an executive director of Pacific Century Premium Developments Limited and was also the company secretary and director of mergers and acquisitions of PCCW Limited until February, 2007. He is a non-executive director of Tradelink Electronic Commerce Limited. Prior to joining the Pacific Century group in 1999, he worked for a number of international investment banks in Hong Kong and has more than 10 years' experience in corporate finance transactions in the region. He was a graduate of the University of Wales (now known as Cardiff University) in the United Kingdom and holds a Master of Business Administration degree and a Bachelor of Science degree in Mechanical Engineering.

## DIRECTORS' REPORT

### Directors and Senior Management Profile (Continued)

#### Executive Directors (Continued)

**Mr. Kan Sze Man**, aged 35, joined the Company as Group General Counsel in 2001. Mr. Kan is a qualified solicitor by profession. He graduated from Wadham College, Oxford University, England in 1993 and qualified as solicitor in Hong Kong in 1997. He has worked in the commercial department of a leading Hong Kong law firm and a U.K. city firm, until joining Hikari Tsushi International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000. Mr. Kan was also an executive director of the Company from 2001 to 2003. Mr. Kan is the brother-in-law of Mr. Chung Cho Yee, Mico, the non-executive Chairman of the Company and the controlling shareholder of the Company.

#### Independent Non-Executive Directors

**Dr. Lam Lee G.**, aged 47, joined the Company as an Independent Non-Executive Director in 2001. He holds a Bachelor of Science in Mathematics and Sciences, a Master of Science in Systems Science, and a Master of Business Administration, all from the University of Ottawa in Canada, a Post-graduate Diploma in Public Administration from Carleton University in Canada, a Post-graduate Diploma in English and Hong Kong Law and a Bachelor of Law (Hons) from Manchester Metropolitan University in the UK, and a Doctor of Philosophy from the University of Hong Kong. Dr. Lam has over 25 years of multinational general management, corporate governance, investment banking, and direct investment experience. He is Chairman of Monte Jade Science and Technology Association of Hong Kong, and serves on the board of a number of publicly-listed companies in the Asia Pacific region. He is a member of the Hong Kong Institute of Bankers, a member of the Young Presidents' Organization, a fellow of the Hong Kong Institute of Directors and the China Institute of Directors, and a member of the General Council of the Chamber of Hong Kong Listed Companies.

**Dato' Wong Sin Just**, aged 41, Independent Non-Executive Director, joined the Group in 2001. Dato' Wong possesses over 17 years of accounting, investment banking and venture capital experience. He held senior positions with a number of premier international investment banks and is currently the Executive Co-Chairman of E2-Capital (Holdings) Limited. Dato' Wong holds a Bachelor Degree in Engineering (First Class Honours) from Imperial College, University of London and was qualified as an associate of the Institute of Chartered Accountants, England and Wales. Dato' Wong is also the Vice Chairman and the Chief Executive Officer of Softbank Investment International (Strategic) Limited and an Independent Non-executive Director of China.com Inc.

**Mr. Cheng Yuk Wo**, aged 46, Independent Non-Executive Director, joined the Group in 2002. Mr. Cheng is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Cheng worked at Coopers and Lybrand in London and with Swiss Bank Corporation in Toronto. He has held senior management positions in a number of Hong Kong listed companies and is a co-founder of a Hong Kong merchant banking firm. He is an independent non-executive director of several listed companies and the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng holds a M.Sc.(Econ) degree and a B.A. (Hon) degree.

## DIRECTORS' REPORT

### Directors and Senior Management Profile (Continued)

#### Senior Management

##### HONG KONG

**Mr. Mak Chi Wing**, aged 49, Deputy Head of the Group Property Division, joined the Group in 2007. Mr. Mak has more than 25 years experience in the property development business, and worked for major property developers including Sun Hung Kai, Swire and Hopewell. He has extensive practical experience in project management and development process from the inception stage, planning, design coordination, all the way to the handing over the finished product. Mr. Mak was a Development Consultant for 7 years and has handled numerous development studies, project management cases. He is a member of the Chartered Institute of Building.

**Mr. Mak Wing Lung**, aged 53, Director of the Group Property Division, joined the Group in 2006. Mr. Mak graduated from the University of Reading, England in 1982 and qualified as a Chartered Surveyor in 1985. He has over 30 years experience in managing sizable property portfolio in Hong Kong. Before joining the Group, Mr. Mak had held significant position in Hong Kong listed companies and international property management and investment firms.

**Mr. Wong Chung Kwong**, aged 56, General Manger of the Group Property Division, joined the Group in 2004, is responsible for property related investments of the Group. Mr. Wong has been working in the local and mainland real estate markets for 30 years and has solid experience in properties related projects such as leasing, sales and marketing, tenders and property management. Before joining the Group, Mr. Wong had worked in property development and management companies in Mainland China and Hong Kong.

**Mr. Ho Lok Fai**, aged 46, Head of Marketing and Leasing of the Group Property Division, joined the Group in 2005, is responsible for the sales and leasing of properties of the Group. Mr. Ho possesses more than 15 years experience in the office and commercial property market in Hong Kong and is specialized in analyzing market data and trend. Mr. Ho had worked in several property agency companies before joining the Group.

##### SHANGHAI

**Ms. Dong Yan**, aged 38, General Manager of the Group's PRC Property Division, joined the Group in September 2006. Ms. Dong was the Deputy General Manager of the Shanghai Real Estate Co. Ltd. Group, one of the largest real estate players in Shanghai for over 10 years and sat on the board of several of its wholly owned or shareholding real estate development and project companies. In this capacity, Ms. Dong oversaw development phase master planning and design work, as well as market positioning and sales activities. Before she joined the Group, she was a vice president of H&Q Asia Pacific. Ms. Dong received a post-graduated diploma on urban planning and inner city renewal course from Institute of Housing and Urban Development Studies, Rotterdam, Netherlands in 1993 and a management master degree from Norwegian School of Management (BI), and an EMBA from Antai School of Management, Jiao Tong University.

**Mr. Cheung Chun Pan Foley**, aged 37, Executive Director, Investment of the Group's PRC Property Division, joined the Group in June, 2007. Mr Cheung graduated from Hong Kong Lingnan University, holds a MBA degree from University of Strathclyde, UK and a MSc degree from University of Hong Kong. Mr Cheung has over 10 years' PRC real estate experience covering distressed asset acquisitions, land acquisitions, project financing, joint venture structures, asset management, project sales and marketing, and corporate leasing. He worked as an Executive Director, Investment Division of Colliers International Property Services (Shanghai) Co Ltd and General Manager of a Shanghai listed property company before joining the Group.

## DIRECTORS' REPORT

### Directors' Interests in Shares

Save as disclosed in sections headed "Substantial Shareholders" and "Share Option Schemes", as at 31 March, 2007, none of the Company's directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of the Securities and Futures Ordinance ("SFO") and as recorded in the register kept by the Company under Section 352 of the Securities Future Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

### Share Option Schemes

Particulars of the Company's share option schemes are set out in note 33 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	Option scheme type	Exercise price	Number of options outstanding at 1.4.2006	Exercised during the year	Lapsed during the year	Number of options outstanding at 31.3.2007
<b>Directors</b>						
Ma Wai Man, Catherine	2001	0.672	7,075,000	—	—	7,075,000
	2002 (Note 1)	0.560	3,125,000	—	—	3,125,000
Chow Hou Man	2001	0.672	837,500	—	—	837,500
	2002 (Note 1)	0.560	3,125,000	—	—	3,125,000
Total for directors			14,162,500	—	—	14,162,500
<b>Employees and consultants</b>						
	2001	0.672	11,162,500	(131,250)	—	11,031,250
	2002 (Note 1)	0.560	15,250,000	(1,000,000)	—	14,250,000
	2002	0.560	7,500,000	—	—	7,500,000
	2002	0.600	3,750,000	—	—	3,750,000
Total for employees and consultants			37,662,500	(1,131,250)	—	36,531,250
Grand total			51,825,000	(1,131,250)	—	50,693,750

## DIRECTORS' REPORT

### Share Option Schemes (Continued)

Notes:

- (1) There is a limit on the number of share options under the 2002 Share Option Scheme that may be exercised by each grantee during each period of 12 months commencing from 23 September, 2002 (until 22 September, 2006), namely, the aggregate of (a) 20% of the total number of such share options granted and (b) any unused limits accumulated during previous period(s), subject to the written consent of the chairman of the Company to the exercise of share options exceeding such limit.
- (2) The closing prices of the Company's shares at the dates of exercise by the employees and consultants were HK\$1.35 and HK\$1.65 per share, respectively.
- (3) The above information has not been adjusted to reflect the effect of share sub-division as set out in note 44(2) to the consolidated financial statements.

### Arrangements to Purchase Shares or Debentures

Save as disclosed above and in notes 31 and 33 to the consolidated financial statements, at no time during the year, was the Company or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Director's Interests in Contracts of Significance

No contracts of significance, to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Substantial Shareholders

As at 31 March, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

#### Long position

Name	Capacity	Number of shares	Derivative interests (Number of shares to be issued upon conversion of the 2011 Convertible Notes as set out in note 32)	Approximate shareholding percentage
Chung Cho Yee, Mico ("Mr. Chung")	Beneficial owner (Note 1)	311,095,250		31.57%
			8,064,516	8.18%
Earnest Equity Limited ("Earnest Equity")	Interest of controlled corporation (Note 2)	310,675,250		31.53%
			8,064,516	8.18%
Stark Investments (Hong Kong) Limited	Investment manager (Note 3)	111,620,000		11.33%
			24,193,547	2.46%
Lehman Brothers Holdings Inc.	Beneficial owner (Note 4)	87,840,000		8.91%
			22,043,000	2.24%
Stark Master Fund, Ltd.	Beneficial owner (Note 5)	79,456,000		8.06%
			19,354,838	1.96%

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### Substantial Shareholders (Continued)

#### Long position (Continued)

Notes:

1. Being the aggregate of personal interest of Mr. Chung of 420,000 shares and the corporate interest held by Earnest Equity of 310,675,250 shares and 2011 Convertible Notes of principal amount of HK\$15,000,000.
2. Earnest Equity, the entire issued share capital of which is held by Digisino Assets Limited ("Digisino"), as trustee of a discretionary trust founded by Mr. Chung, who together with his spouse and children are the current discretionary beneficiaries. Further, the entire issued share capital of Digisino is held by Mr. Chung and that both Digisino and Earnest Equity are corporations wholly owned and controlled by him.
3. Stark Investments (Hong Kong) Limited, being an investment manager, is deemed to be interested in 111,620,000 shares and 2011 Convertible Notes of principal amount of HK\$45,000,000.
4. Lehman Brothers Commercial Corporations Asia Limited, a company that holds 87,840,000 shares and 2011 Convertible Notes of principal amount of HK\$41,000,000, is a company owned as to 50% by LBCCA Holdings I Inc. and owned as to 50% by LBCCA Holdings II Inc., respectively, which were, in turn wholly-owned subsidiaries of Lehman Brothers Holdings Inc.
5. Stark Master Fund, Ltd. is the beneficial owner of 79,456,000 shares and 2011 Convertible Notes of principal amount of HK\$36,000,000.
6. The above information has not been adjusted to reflect the effect of share sub-division as set out in note 44(2) to the consolidated financial statements.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March, 2007.

### Appointment of Independent Non-executive Directors

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company considers all of the independent non-executive directors are independent.

### Connected Transactions

The connected transactions undertaken by the Company during the year and up to date of this report are set out below:

- (a) Pursuant to the announcement dated 18 May, 2006 and the circular dated 27 May, 2006, on 17 May, 2006, the Group entered into:
  - (i) a conditional subscription agreement with Earnest Equity in relation to the placing of up to 102,000,000 new shares of HK\$0.04 each in the share capital of the Company at a placing price of HK\$1.59 per placing share (the "Earnest Equity Placing Agreement").



## DIRECTORS' REPORT

### Connected Transactions (Continued)

- (ii) A conditional subscription agreement with Earnest Equity and other third parties in relation to the subscription of convertible notes with aggregate principal amount of HK\$133,000,000 (the "2011 Convertible Notes"), of which HK\$15,000,000 was issued to Earnest Equity (the "Earnest Equity Note Subscription Agreement").

The holders of the 2011 Convertible Notes have the right to convert the 2011 Convertible Notes into shares of HK\$0.04 each of the Company at an initial conversion price of HK\$1.86 each (subject to adjustments) at any time during the period from the 7th day after the date of issue of the 2011 Convertible Notes up to and including the date which is 7 days prior to 13 June, 2011, the maturity date of the 2011 Convertible Notes.

Unless previously converted or purchased or redeemed by the Company, the Company will redeem the 2011 Convertible Notes on the maturity date at the redemption amount which is 110% of the principal amount of the 2011 Convertible Notes outstanding.

Upon full conversion of the 2011 Convertible Notes at the initial conversion price of HK\$1.86 (subject to adjustments), an aggregate of 71,505,376 conversion shares of HK\$0.04 each will be issued by the Company. (After adjusted for the share sub-division as stated in note 44(2) to the consolidated financial statements, the current conversion price of the 2011 Convertible Notes is HK\$0.372 and upon full conversion of the 2011 Convertible Notes, an aggregate of 357,526,881 conversion shares of HK\$0.008 each will be issued by the Company).

- (iii) a conditional agreement with the Aqua Sole Company Limited ("Aqua Sole") as the vendor, a company incorporated in Hong Kong and wholly owned by Mr. Chung, and Mr. Chung as the guarantor of the obligations of Aqua Sole for acquisition of the entire issued share capital of Sky Dragon Limited ("Sky Dragon"), a company incorporated in Hong Kong and the sole material asset of which is the property situated at No. 8 Hau Fook Street, Tsimshatsui, Kowloon, Hong Kong, and the outstanding shareholder's loan owed by Sky Dragon to Aqua Sole as at the completion of the agreement (the "Property Acquisition Agreement").

Earnest Equity is wholly and beneficially owned by a discretionary trust of which Mr. Chung is the founder and one of the discretionary beneficiaries whilst Aqua Sole is wholly owned by Mr. Chung. Since Mr. Chung is the non-executive Chairman of the Company and, through his personal interest and Earnest Equity, is beneficially interested in an aggregate of 191,687,250 shares of HK\$0.04 each in the share capital of the Company, representing approximately 32.78% of the issued share capital of the Company as at the date of the Earnest Equity Placing Agreement, the Earnest Equity Note Subscription Agreement and the Property Acquisition Agreement, each of Mr. Chung, Earnest Equity and Aqua Sole was a connected person of the Company under the Listing Rules. Accordingly, each of the Earnest Equity Placing Agreement, the Earnest Equity Note Subscription Agreement and the Property Acquisition Agreement constituted a connected transaction of the Company under the Listing Rules and was subject to, among other things, the approval of the independent shareholders at a general meeting of the Company. The transactions were completed on 13 June, 2006.

- (b) Pursuant to the announcement dated 7 June, 2007, the Company on the same day, entered into several conditional subscription agreements with Centar Investment (Asia) Limited ("Centar"), Lehman Brothers Commercial Corporation Asia Limited ("Lehman") and five independent third parties in relation to the subscription of HK\$390,000,000 2% convertible notes redeemable on the fifth anniversary from the date of issue (the "Maturity Date") (the "2012 Convertible Notes") with principal amounts of HK\$54,600,000, HK\$78,000,000 and HK\$257,400,000, respectively. Lehman is a substantial shareholder of one of the Company's non-wholly owned subsidiaries. Centar is a fund managed by Stark Investments (Hong Kong) Limited ("Stark Investments") and Stark Investments is a substantial shareholder of the Company. Therefore, Lehman and Stark Investments are connected persons of the Company under the Listing Rules. The transactions were completed on 13 July, 2007.

## DIRECTORS' REPORT

### Connected Transactions (Continued)

The holders of the 2012 Convertible Notes have the right to convert the 2012 Convertible Notes into shares of HK\$0.008 each of the Company at the initial conversion price of HK\$0.51 (subject to adjustments) at any time during the period from the 7th day after the date of issue of the 2012 Convertible Notes up to and including the date which is 7 days prior to the maturity date of the 2012 Convertible Notes.

Unless previously converted or purchased or redeemed by the Company, the Company will redeem the 2012 Convertible Notes at the redemption amount which is 119.38% of the principal amount of the 2012 Convertible Notes outstanding.

Upon full conversion of the 2012 Convertible Notes at the initial conversion price of HK\$0.51, an aggregate of 764,705,880 conversion shares of HK\$0.008 each will be issued by the Company. The net proceeds from the issue of the 2012 Convertible Notes of approximately HK\$387,000,000 is intended to be used for future property and property-related investments.

### Emolument Policy

The emolument policy of the employees of the Group is set by the board of directors on the basis of their merit, qualifications and competence with reference to the prevailing market terms. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

The emoluments of the directors of the Company are determined by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 33 to the consolidated financial statements.

### Purchase, Sale and Redemption of Listed Shares

During the year, the Company repurchased its listed securities through the Stock Exchange as follows:

Month of repurchase	No. of shares of HK\$0.04 each	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
October	1,076,000	1.330	1.320	1,425
November	2,992,000	1.290	1.220	3,733

The above shares were cancelled upon repurchase.

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### 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.

## DIRECTORS' REPORT

### Corporate Governance

The Company is obliged to comply with the requirements for continuing listing on the Stock Exchange and is committed to practice high standard of corporate governance in its daily management and operations. The Company follows and applies the principles of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules in the year under review with exception of few deviations. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in pages 7 to 9 of this Annual Report.

### Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 March, 2007.

### Post Balance Sheet Events

Details of the significant post balance sheet events are set out in note 44 to the consolidated financial statements.

### Auditors

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**CHUNG CHO YEE, MICO**  
*NON-EXECUTIVE CHAIRMAN*

19 July, 2007