

Code Provision B.1.1

The Company has not established a remuneration committee in view of the Company's simple organisation structure. The Board has set up a remuneration committee and has adopted terms of reference on 10th March 2006.

Code Provision C.3.3

The revised terms of reference of the audit committee has been adopted on 10th March 2006. The unwritten duties of the audit committee closely resemble those in the CG Code.

Code Provision E.1.2

The Chairman of the Board did not attend the annual general meeting of the Company for the year 2005 which is deviated from the requirements set out in Code Provision E.1.2 as he was engaged in business outside Hong Kong.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive directors, namely Mr. Hu Yangxiong, Mr. Chan Wai Kwong, Peter and Mr. Kwok Wing Wah. The audit committee has reviewed with management and PKF, Certified Public Accountants, the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 31st December 2005.

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MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 31st December 2005.

On Behalf of the Board

Wu Yijian
Chairman

Hong Kong, 23rd March 2006

As at the date hereof, the Board comprises five executive directors, namely, Messrs. Wu Yijian, Mo Keung, Chan Wing Yau George, Qin Chuan and Cheng Koon Cheung and three independent non-executive directors, namely, Messrs. Kwok Wing Wah, Hu Yangxiong and Chan Wai Kwong Peter.