

CORPORATE GOVERNANCE *(Continued)*

Code Provision C2.1 of the Code in respect of a review of the effectiveness of the Group's internal controls is first applicable to the Company for its financial year ending 31 December 2006. The Board has already put in place procedures, including seeking external advisory assistance, to enable the Board to report on Code Provision C2.1 in its 2006 Corporate Governance Report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board of Directors of the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules of The Stock Exchange of Hong Kong Limited. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors presently comprises three independent non-executive directors. The Audit Committee meets with the Group's senior management and external auditors regularly to review the effectiveness of the internal control system and the interim and annual reports, including the Group's unaudited consolidated financial statements for the six months ended 30 June 2006.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors comprises four members, three of whom are independent non-executive directors. The Committee reviews matters relating to the remuneration for senior management and Directors of the Company.

BOOK CLOSE

The register of members will be closed from Monday, 16 October 2006 to Thursday, 19 October 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 October 2006.