

## RE-ELECTION OF DIRECTORS

In relation to the re-election of Directors set out in resolution no. 2 in the notice convening the Annual General Meeting, Mr Eiji Sato, Mr Kim Kwi Nam, Takao, Mr Wong King Shiu, Daniel and Mr Lin Che Chu, George, will retire at the Annual General Meeting pursuant to the Company's Bye-laws and, being eligible, will offer themselves for re-election.

The biographical details and interests in the securities of the Company of the Directors who will be re-elected at the Annual General Meeting are provided under the sections headed "Biographical Details of Directors" and "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" respectively in this report.

There is a service contract between the Company and each of Mr Eiji Sato and Mr Kim Kwi Nam, Takao for a term of two years from 23 September 2004. The contract will continue in force thereafter until terminated by either party giving at least one month's prior written notice to the other. Under the service contracts, Mr Sato and Mr Kim shall receive an annual emolument of US\$12,000 and US\$6,000 respectively. Neither of them hold any positions with the Company and other members of the Group nor have they held any directorships in other listed public companies in the last three years.

A subsidiary of the Company has a service contract with Mr Wong King Shiu, Daniel for a term of two years from 25 January 2004 which is deemed to be renewed or extended unless terminated by either party giving not less than three months' prior written notice to the other. According to this service contract, Mr Wong King Shiu, Daniel is entitled to an annual salary of HK\$960,000 and other emoluments including annual performance bonus. Save that Mr Wong King Shiu, Daniel is currently director of certain subsidiaries of the Group, he does not hold any other position with the Company and other members of the Group. Mr Wong King Shiu, Daniel is an independent non-executive director of Medtech Group Company Limited, a listed company in Hong Kong.

The Company has a service contract with Mr Lin Che Chu, George for a term of one year from 5 April 2004 which is deemed to be renewed or extended unless terminated by either party giving not less than three month's prior written notice to the other. According to this service contract, Mr Lin Che Chu, George is entitled to an annual salary of HK\$960,000 and other emoluments including annual performance bonus. Save that Mr Lin Che Chu, George is currently director of certain subsidiaries of the Group, he does not hold any other position with the Company and other members of the Group. Mr Lin Che Chu, George has not held any directorships in other listed public companies in the last three years.

The above Directors' emoluments were determined with reference to the experiences and responsibilities with the Company and the prevailing market condition. None of the above Directors are connected with any Directors, senior management or substantial or controlling shareholders of the Company, nor do they have any interests or deemed interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

## ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the Annual General Meeting is set out on page 60 of this report. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the annual results, re-election of Directors, re-appointment of Auditors and grant of general mandate.

A form of proxy for use at the Annual General Meeting is enclosed with this report. If you are unable to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the office of Computershare Hong Kong Investor Services Limited of 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

**POLL PROCEDURE**

Pursuant to Bye-law 66 of the Company's Bye-laws, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
- (d) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.