

b) **Code Provision A 4.2**

This Code stipulates that every director should be subject to retirement by rotation at least once every three years. In accordance with the Articles of Association of the Company, at every general meeting onethird of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall be subject to retirement by rotation.

The Board will review the current situation from time to time and shall make necessary arrangements when the Board consider appropriate.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers as set out in Appendix 10 of the Listing Rules (“Model Code”). Having made specific enquiry, the Company confirmed that all directors have complied with the required standard set out in the Model Code.

By order of the Board

LAO Yuan Yi

Chairman and Managing Director

Hong Kong, 20th September 2005