

Action(s) taken for compliance : The Board resolved in January 2005 to fix the term of the non-executive Directors (including independent non-executive Directors) for a period of three years with effect from 1st January 2005, subject to earlier determination in accordance with the Bye-Laws and/or applicable laws and regulations.

#### **CODE PROVISION A.4.2**

Code specification : All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Deviation : Pursuant to the Bye-Laws of the Company prior to 22nd June 2005, one-third of the Directors (save for executive Chairman or Managing or Joint Managing Director and no Director holding office as Chairman, Chairlady, Co-chairman or Co-chairlady (in each case in an Honorary and non-executive capacity)) were required to retire and would be eligible for re-election at every annual general meeting. The Directors to retire by rotation should be those who had been longest in office since their last appointment or reappointment or those who were appointed during the year to fill casual vacancy. The said requirements of the Bye-laws were observed at the annual general meeting held on 22nd June 2005, as the said provisions of the Bye-Laws were still in force.

Action(s) taken for compliance : The shareholders of the Company passed a special resolution at the annual general meeting of the Company held on 22nd June 2005 to amend the Bye-Laws of the Company so that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

#### **MODEL CODE**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. By responding to specific enquiry from the Company, the Directors have confirmed that they complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions by Directors during the six months ended 30th June 2005.

#### **AUDIT COMMITTEE**

The Audit Committee comprises Mr. LO Kai Yiu, Anthony and Mr. YUAN Ching Man, James (being the independent non-executive Directors), and Ms. MAK WANG Wing Yee, Winnie (being the non-executive Director). The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended 30th June 2005 with the Company's management.

On behalf of the Board  
**WANG Kin Chung, Peter**  
*Chairman and Chief Executive Officer*

Hong Kong, 26th September 2005