

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The existing non-executive Directors of the Company, except for Mr. Cheng Tsang Wai being an independent non-executive Director of the Company, do not have a specific term of appointment. However, non-executive Directors are subject to the requirement to retire by rotation at annual general meetings under the Company's Articles of Association accomplishing the same objective as a specific term of appointment.

Code A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to Article 116 of the Articles of Association of the Company, at each annual general meeting, the number nearest to but not less than one-third of the Directors (other than the Chairman or the Managing Director or Joint Managing Director) for the time being shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Mr. Ling Siu Man, Simon, is not subject to retirement by rotation pursuant to the said Article 116.

Code A.5.4 stipulates that the Board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the securities of the issuer. The aforesaid written guidelines were established by the Directors on 19 December 2005.

Code B.1.1 stipulates that the Company should establish a remuneration committee with specific written terms of reference. A remuneration committee was set up on 19 December 2005 in order to comply with the Code B.1.1. Terms of reference of the remuneration committee will be posted on the Company's website.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code as then in force, and after having made specific enquiry to all of the Directors, the Directors are satisfied that the required standard set out in the Model Code and its code of conduct regarding the Directors' securities transactions have been fully complied with, throughout the accounting period covered by the interim report.

On behalf of the Board
LING Siu Man, Simon
Chairman & Managing Director

Hong Kong, 19 December 2005