



CORPORATE GOVERNANCE *(Continued)*

Code Provision A.4.2

Prior to the annual general meeting held on 8 September 2005 (“AGM”), Directors of the Company were not required to retire by rotation at least once every three years. To comply with this code provision A.4.2, the amendments to the Company’s Bye-laws were approved by the shareholders at the AGM to provide, inter alia, that every director shall be subject to retirement by rotation at least once every three years.

Code Provision E.1.2

The Chairman of the Board did not attend the annual general meeting of the Company held on 8 September 2005 because of an unexpected urgent business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. The Company confirms that, having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code for the period ended 30 September 2005.

DISCLOSURE PURSUANT TO CHAPTER 13 OF THE LISTING RULES

As at 30 September 2005, there were 494,872,087 shares of the Company (the “Shares”) in issue. Based on the average closing price of the Shares of HK\$0.266 as stated in daily quotation sheets of The Stock Exchange of Hong Kong Limited for the 5 trading days immediately preceding 30 September 2005, the total market capitalisation (the “Total Market Capitalisation”) of the Company was HK\$131,635,975.