

## **CORPORATE GOVERNANCE**

The Company had complied throughout the Period with the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules except that (i) the non-executive directors of the Company were not appointed for specific term, however, in accordance with the bye-laws of the Company, one-third of the Directors for the time being shall retire from office by rotation (provided that every Director shall be subject to retirement at least once every three years) and be eligible for re-election in the annual general meeting of the Company; and (ii) the Chairperson had not attended the annual general meeting of the Company held on 25th August, 2005 as she was not in Hong Kong.

## **MODEL CODE FOR SECURITIES**

The Company had adopted the Model Code of the Listing Rules as its codes of conduct regarding securities transactions by Directors and relevant employees. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the Model Code.

## **AUDIT COMMITTEE**

The Company established an audit committee with written terms of reference comprising the three independent non-executive directors of the Company, namely Messrs. Chan Man Hon, Eric (Chairman of the audit committee), Law Ka Ming, Michael and Liu Hing Hung. The principal duties of the audit committee included the review and supervision of the Group's financial information and relationship with the auditors of the Company.

The Group's unaudited consolidated financial statements for the Period have been reviewed by the audit committee, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made.