

1. The Non-Executive Directors are not appointed for a specific term and the Articles of Association of the Company provided that at each annual general meeting, one-third of the directors (other than the Chairman of the Board and the Managing Director of the Company) shall be subject to retirement by rotation. As the Listing Rules require that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, the Articles of Association of the Company were amended on 30th June 2006 to that effect.
2. All directors appointed to fill a casual vacancy were subject to re-election by shareholders at the next following annual general meeting of the Company pursuant to the Articles of Association of the Company. As the Listing Rules require that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, the Articles of Association of the Company were amended on 30th June 2006 to that effect.
3. Ms. Cheung is currently the Chairman of the Board (the “Chairman”) and the Chief Executive Officer (the “CEO”) of the Company. The Board does not intend to separate the role between the Chairman and the CEO. The Board believes that it is more effective and efficient for the same person to be acting as the Chairman and the CEO in formulating the Group’s overall strategies and policies and implementing the same to achieve the corporate goals.

### **CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted on 1st June 2005 its own code for securities dealings by directors and relevant employees (the “Code”), on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 of the Listing Rules.

All directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Code throughout the six months ended 30th June 2006.

### **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the six months ended 30th June 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

### **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference, which was superseded by new written terms of reference on 1st June 2005. The primary duties of the audit committee are to review and supervise the financial reporting and internal control systems of the Group. The audit committee comprises three Independent Non-Executive Directors, namely Ms. Li Yuen Yu Alice (Committee Chairman), Mr. Chiu Sin Chun and Ms. Wong Siu Yin Elizabeth.

The audit committee has reviewed with the management the internal control systems and financial reporting matters, including the review of the unaudited condensed interim financial statements of the Group relating to the preparation of the interim report for the six months ended 30th June 2006.

On behalf of the Board  
**Cheung Choi Ngor**  
*Chairman*

Hong Kong, 12th September 2006

*As at the date of this report, the Board comprises (1) Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges, Mr. Ng Yuk Fung, Peter, Mr. Lo Chak Wa and Ms. Cheung Lai Lin, Pealin as Executive Directors; and (2) Ms. Wong Siu Yin Elizabeth, Mr. Chiu Sin Chun and Ms. Li Yuen Yu Alice as Independent Non-Executive Directors.*