

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 terms as set out in Appendix 14 of the Listing Rules, however, they are subject to retirement and re-election at each annual general meeting in accordance with the Bye-laws 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 (the "Code") contained in Appendix 10 to 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 Code.