

## NON-COMPLIANCE WITH RULE 3.10(1) OF THE LISTING RULES

Resulting from the death of Mr. Taro Akashi, an INED of the Company, on 28 September 2005, the Company had only two INEDs since then. According to the requirement under Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three INEDs. Hence, the Company has not complied with Rule 3.10(1) of the Listing Rules since 28 September 2005.

On 22 December 2005, the Company has appointed Dr. Li Chi Kwong as an INED to fill the casual vacancy. Hence, the Company has complied with Rule 3.10(1) of the Listing Rules since 22 December 2005. The details of Dr. Li as required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in the announcement dated 22 December 2005.

## AUDIT COMMITTEE

The Audit Committee of the Company comprises the three INEDs of the Company. It was established in compliance with the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Audit Committee of the Company has reviewed the unaudited interim report of the Group for the 6 months period ended 30 September 2005 and agreed with all the accounting treatments which have been adopted in the interim report.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has not adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") in Appendix 10 of the Listing Rules. In other words, the Company has adopted the Model Code. The Company, having made specific enquiry, confirms that all directors of the Company have complied with the required standard set out in the Model Code throughout the 6 months period ended 30 September 2005.

## 未有遵守上市規則第3.10(1)條

由於本公司之獨立非執行董事明石太郎先生於二零零五年九月二十八日逝世，自此之後，本公司只有兩位獨立非執行董事。而根據上市規則第3.10(1)條之要求，董事會成員最少要包括三位獨立非執行董事。因此，本公司於二零零五年九月二十八日起未有符合上市規則第3.10(1)條之要求。

於二零零五年十二月二十二日，本公司已委任李志光博士為本公司之獨立非執行董事以填補空缺。因此，本公司已於二零零五年十二月二十二日後符合上市規則第3.10(1)條之要求。而根據上市規則第13.51(2)條的披露規定李博士的個人資料已載於二零零五年十二月二十二日之公佈內。

## 審核委員會

本公司之審核委員會由三位獨立非執行董事組成。審核委員會乃根據上市規則而成立，其主要職責為檢討及監督本集團之財務報告過程及內部監控。

審核委員會已檢閱本集團截至二零零五年九月三十日止六個月期間之中期報告，並同意中期報告內所採用之所有會計處理方法。

## 上市公司董事進行證券交易的標準守則

本公司未有採納一套比聯交所在上市規則附錄10列載之「上市公司董事進行證券交易的標準守則」（「標準守則」）所訂標準更高的董事證券交易的守則。換言之，本公司已就董事進行證券交易採納了標準守則。經本公司向所有董事作出特定查詢後，所有董事均確認截至二零零五年九月三十日止六個月期間內已遵守標準守則所載有關證券交易之標準。