

INTERESTS OF OTHER PERSONS

Save as disclosed in the sections headed “Interests of directors” and “Interests of substantial shareholders” above, the register required to be kept under section 336 of the SFO shows that as at 30th June, 2004, the Company had not been notified of any other person who had an interest or short position in shares and underlying shares of the Company.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive directors, namely Mr Kwok Lam Kwong, Larry, J.P., Mr Lam Chi Kuen, Frank and Mr Lau Siu Ki, Kevin during the period.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 30th June, 2004, with the management.

CORPORATE GOVERNANCE

Compliance with Code of Best Practice

None of the directors of the Company is aware of any information that would reasonably indicate that the Group is not, or was not, for any part of the period ended 30th June, 2004 in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules except that the independent non-executive directors are not appointed for a specific term. The independent non-executive directors are subject to retirement by rotation in accordance with the provisions of the Company's Bye-Laws.

Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period.