

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, the register kept by the Company under section 336 of the SFO showed that the following shareholders (other than Directors of the Company) had disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of SFO an interest or a short position in the shares or underlying shares of the Company:

Name of shareholder	Number of shares held	Percentage of issued share capital (%)
Glorious Sun Holdings (BVI) Limited	394,954,000	39.472
Advancetex Holdings (BVI) Limited	233,540,000	23.340

Save as disclosed above, no other parties (other than Directors of the Company) disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of SFO or were recorded in the register as having an interest or a short position in the shares or underlying shares of the Company as at 30 June 2004.

CODE OF BEST PRACTICE

Except that the independent non-executive Directors who are subject to retirement by rotation in accordance with the by-laws of the Company, have not been appointed for a specific term, the Directors are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.



AUDIT COMMITTEE

The Company's audit committee is composed of two independent non-executive Directors of the Company, Mr. Wong Man Kong, Peter, B.B.S., J.P. and Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2004.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2004.

By Order of the Board
Charles Yeung, s.B.S., J.P.
Chairman

Hong Kong, 6 September 2004

