

STAFF AND EMPLOYMENT

Including the directors of the Group, as at 30th June 2004, the Group employed a total of 160 (31st December 2003: 150) full-time employees. Total staff remuneration for the period ended 30th June 2004 was approximately HK\$21,729,000 (2003: HK\$20,225,000).

Remuneration is reviewed annually and certain staff members are entitled to commission. In addition to the basic salaries and contributions to the mandatory provident fund, the Group also provides staff benefits including discretionary bonus and medical scheme.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the interim financial statements which have not been audited.

PURCHASE, SALE AND REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the six months ended 30th June 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the directors, the Company has complied with the Code of the Best Practice as set out in Appendix 14 of the Listing Rules since the listing of its shares on the Stock Exchange.

By Order of the Board

Chan Churk Kai

Managing Director

Hong Kong, 15th September 2004

As at the date of this interim report, the Board comprises six executive directors, namely Mr. Tsang Sik Yin, Eric, Mr. Tsang Chung Yin, Mr. Chan Churk Kai, Dr. Tsang Ngan Chung, Mr. Tsang Yin and Ms. Ngai Chui Ling and two independent non-executive directors, namely, Mr. Wong Wah On, Edward and Mr. Chan Yuk Ming.