

SHARE OPTION SCHEME

On 29 May 2002, the Company adopted a share option scheme under which it may grant options to eligible persons, including employees and directors of the Group, to subscribe for shares of the Company.

The Company did not grant any right to subscribe for equity or debt securities of the Company to any director or chief executive of the Company or to the spouse or children under 18 years of age of any such director or chief executive under the share option scheme or otherwise as at 30 June 2004.

PURCHASE, SALE OR REDEMPTION OF SHARES IN THE COMPANY

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

AUDIT COMMITTEE

The Company set up an audit committee on 2 May 2000. The audit committee comprises four non-executive directors, three of them being independent. 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 unaudited interim results for the six months ended 30 June 2004.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not at any time during 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, except that the non-executive directors of the Company are not appointed for a specific term, but are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2004.

On behalf of the Board
Poon Ka Hung
Chairman

Hong Kong, 16 September 2004