

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Shares were listed on the Main Board of the Stock Exchange on 26 March 2004. Since that date, none of the Directors is aware of any information which would indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2004. However the independent non-executive directors of the Company are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's articles of association.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 10 March 2004, which was established in accordance with the requirements of the Code of Best Practice, for the purpose of reviewing and providing supervision on the financial reporting process and internal control system of the Group. The Committee comprises the three independent non-executive Directors with Mr. Ng Kwai Sang acting as Chairman. The interim financial report of the Group for the six months ended 30 June 2004 has been reviewed by the Committee, which was of the opinion that such report complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

By order of the Board

Li Wei Bo
Chairman

Hong Kong, 20 September 2004