

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company had not redeemed any of its shares during the six months ended 30th June 2004. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30th 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 during the six months ended 30th June 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that Non-Executive Directors were not appointed for specific terms since all Directors of the Company (other than the Chairman and Honorary Chairlady) are subject to retirement by rotation in accordance with the Company's Bye-Laws.

## **MODEL CODE**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. After having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors during the six months ended 30th June 2004.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee since 1998 comprising two Independent Non-Executive Directors, Messrs. Lo Kai Yiu, Anthony and Yuan Ching Man, James, and one Non-Executive Director, Ms. Mak Wang Wing Yee, Winnie in accordance with the Code of Best Practice. The principal duties of the Audit Committee include the review of the completeness, accuracy and fairness of the Company's financial reports and the effectiveness of the Company's internal control system.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the interim report for the six months ended 30th June 2004 with the Company's management.

## **BOARD OF DIRECTORS**

As at the date of this Interim Report, the Executive Directors of the Company are Mr. Wang Kin Chung, Peter and Mr. Wu Ching Her, the Non-Executive Directors of the Company are Ms. Wang Koo Yik Chun, Ms. Leslie Tang Schilling, Ms. Mak Wang Wing Yee, Winnie, Dr. Wang Shui Chung, Patrick, Mr. Tang Liu Chien, Oscar and Mr. Tang Yue Nien, Martin, and the Independent Non-Executive Directors of the Company are Mr. Yuan Ching Man, James, Mr. Lo Kai Yiu, Anthony and Mr. James Christopher Kralik.

On behalf of the Board  
**Wang Kin Chung, Peter**  
 Chairman and Chief Executive Officer

Hong Kong, 22nd September 2004