

INTERIM DIVIDEND

The Company had no distributable reserve at 30th June, 2004 and the directors have resolved not to declare an interim dividend for the six months ended 30th June, 2004.

SHARE OPTION SCHEME

The share option scheme of the Company was approved and adopted by the shareholders at the extraordinary general meeting held on 19th June, 2001 (the “2001 Scheme”). Pursuant to the terms of the 2001 Scheme, the Company may grant options to executive directors and employees of the Company and its subsidiaries to subscribe for shares in the Company. The primary purpose of the 2001 Scheme is to provide incentives to eligible employees of the Group by offering them an opportunity to participate in the growth of the Group.

There were no share options granted during the six months ended 30th June, 2004 and there were no outstanding share options as at 1st January, 2004 and 30th June, 2004.

Further details of the 2001 Scheme are as disclosed in the Company’s 2003 Annual Report.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2004, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of ordinary shares held	Percentage of the issued share capital of the Company
Suen Cho Hung, Paul	Interest held by controlled corporation (<i>note</i>)	358,157,745	29.5%

Note: These shares are beneficially owned by Top Media Resources Limited, a company which is wholly owned by All Sino Resources Limited which in turn is wholly owned by Mr. Suen Cho Hung, Paul.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30th June, 2004, as required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above, at no time during the six months ended 30th June, 2004 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the directors or their spouse or children under the age of eighteen, had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30th June, 2004, the register of shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of shareholder	Capacity (<i>note</i>)	Number of ordinary shares held	Percentage of the issued share capital of the Company
Top Media Resources Limited	Beneficial owner	358,157,745	29.5%
All Sino Resources Limited	Interest held by controlled corporation	358,157,745	29.5%
Suen Cho Hung, Paul	Interest held by controlled corporation	358,157,745	29.5%

Note: Top Media Resources Limited is wholly owned by All Sino Resources Limited which in turn is wholly owned by Mr. Suen Cho Hung, Paul. Accordingly, Mr. Suen Cho Hung, Paul and All Sino Resources Limited are deemed to be interested in 358,157,745 shares of the Company under the SFO.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 30th June, 2004 as required pursuant to Section 336 of the SFO.

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

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

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial report of the Group for the six months ended 30th June, 2004. In carrying out this review, the Audit Committee has relied on the review of the interim financial report conducted by the Group's external auditors in accordance with the Statement of Auditing Standards No. 700 issued by the Hong Kong Institute of Certified Public Accountants as well as obtaining explanations from the management.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of 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 the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

By Order of the Board
Li Zhicai
Managing Director

Hong Kong, 22nd September, 2004