



The Board of Directors (the "Directors") of Tomorrow International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2004 with comparative figures as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 June	
		2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Turnover	3	352,712	321,984
Cost of sales		(307,696)	(265,922)
Gross profit		45,016	56,062
Other revenue		14,823	12,321
Gain on disposal of partial interests in subsidiaries, net		8,144	–
Reversal of impairment loss on interest in an associate	4	4,700	–
Surplus on revaluation of leasehold land and buildings		1,843	–
Write-back of provision for properties held for sale		5,780	–
Distribution costs		(13,507)	(12,110)
Administrative expenses		(51,026)	(52,506)
Other operating expenses		(424)	(4,176)
Profit/(loss) from operating activities	5	15,349	(409)
Finance costs		–	(1)
Share of profits less losses of associates		357	1,333
Profit before tax		15,706	923
Tax	6	(359)	(579)
Profit before minority interests		15,347	344
Minority interests		4,812	659
Net profit from ordinary activities attributable to shareholders		20,159	1,003
Earnings per share	7	7.05 cents	0.35 cents
Basic		7.05 cents	0.35 cents
Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
		30 June	31 December
		2004	2003
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Fixed assets		175,620	185,769
Negative goodwill	8	(30,748)	(40,346)
Investment properties		92,981	–
Interests in associates		37,470	35,581
Prepaid rental		3,807	3,377
Rental deposits		388	388
Deferred product development costs		5,306	4,783
		284,824	189,552
CURRENT ASSETS			
Cash and bank balances		240,110	309,397
Time deposits		126,479	147,192
Accounts receivable	9	136,274	140,416
Bills receivable		1,233	1,881
Loans and loan interest receivable		3,092	12,333
Prepayments, deposits and other receivables		17,710	30,681
Properties held for sale		11,480	5,700
Short term investments		22,351	–
Inventories		87,823	77,910
		646,552	725,510
CURRENT LIABILITIES			
Accounts payable	10	116,686	119,275
Accrued liabilities and other payables		34,659	37,622
Due to associates		15,914	12,781
Tax payable		20,505	21,368
		187,764	191,046
NET CURRENT ASSETS		458,788	534,464
TOTAL ASSETS LESS CURRENT LIABILITIES		743,612	724,016



CONDENSED CONSOLIDATED BALANCE SHEET

		As at
	30 June	31 December
	2004	2003
Notes	HK\$'000	HK\$'000
	(unaudited)	(audited)
NON-CURRENT LIABILITIES		
Provision for long service payments	1,243	1,243
Deferred tax liabilities	1,433	1,433
	<u>2,676</u>	<u>2,676</u>
MINORITY INTERESTS		
	<u>22,237</u>	<u>23,125</u>
	<u>718,699</u>	<u>698,215</u>
CAPITAL AND RESERVES		
Share capital	11 2,861	2,861
Reserves	715,838	695,354
	<u>718,699</u>	<u>698,215</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2004

	Reserves									
	Share capital	Share premium	Exchange fluctuation reserve	Capital reserve	Contributed surplus	Capital redemption reserve	Property revaluation reserve	Retained profits	Total reserves	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2004	2,861	200,556	1,474	801	283,208	77	-	209,238	695,354	698,215
Arising from revaluation of leasehold land and building	-	-	-	-	-	-	266	-	266	266
Exchange realignment	-	-	59	-	-	-	-	-	59	59
Net gain not recognised in the profit and loss account	-	-	59	-	-	-	266	-	325	325
Profit for the period	-	-	-	-	-	-	-	20,159	20,159	20,159
At 30 June 2004	<u>2,861</u>	<u>200,556</u>	<u>1,533</u>	<u>801</u>	<u>283,208</u>	<u>77</u>	<u>266</u>	<u>229,397</u>	<u>715,838</u>	<u>718,699</u>

For the six months ended 30 June 2003

At 1 January 2003	286,069	200,556	1,744	801	-	77	1,290	197,540	402,008	688,077
Exchange Realignment	-	-	(218)	-	-	-	-	-	(218)	(218)
Net loss not recognised in the profit and loss account	-	-	(218)	-	-	-	-	-	(218)	(218)
Capital reorganisation	(283,208)	-	-	-	283,208	-	-	-	283,208	-
Profit for the period	-	-	-	-	-	-	-	1,003	1,003	1,003
At 30 June 2003	<u>2,861</u>	<u>200,556</u>	<u>1,526</u>	<u>801</u>	<u>283,208</u>	<u>77</u>	<u>1,290</u>	<u>198,543</u>	<u>686,001</u>	<u>688,862</u>



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June	
	2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(5,779)	126,096
Net cash outflow from investing activities	(84,221)	(11,640)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(90,000)	114,456
Cash and cash equivalents at beginning of period	456,589	322,410
Effect of foreign exchange rate changes, net	–	2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	366,589	436,868
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	240,110	56,509
Non-pledged time deposits with original maturity of less than three months when acquired	126,479	278,755
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	–	101,604
	366,589	436,868



Notes:

1. Basis of preparation

The interim financial statements are unaudited but have been reviewed by the Audit Committee.

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice No. 25 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies and basis of preparation used in the preparation of the interim financial statements are consistent with those followed in the Group’s annual financial statements for the year ended 31 December 2003.

2. Principal activities

During the period, the principal activities of the Group remained unchanged and mainly consisted of the design, development, manufacture and sale of electronic products, the manufacture and sale of printed circuit boards (“PCBs”), the trading and distribution of electronic components and parts, the trading of listed equity investments, the provision of loan financing, and the manufacture and sale of optical products.

3. Business segment information

The Group’s operating businesses are classified as follows:

- (a) the electronic products segment consists of the manufacture and sale of electronic products;
- (b) PCBs segment consists of the manufacture and sale of PCBs;
- (c) the electronic components and parts segment consists of the trading and distribution of electronic components and parts;
- (d) the listed equity investments segment consists of the trading of listed equity investments;
- (e) the provision of finance segment consists of the provision of loan financing services; and
- (f) the optical products segment consists of the manufacture and sale of optical products.

3. Business segment information (continued)

The following table presents revenue and results for the Group's business segments.

Business segment information

	Electronic Products		PCBs		Electronic components & parts		Listed equity investments		Provision of finance		Optical products		Eliminations		Consolidated	
	six months ended		six months ended		six months ended		six months ended		six months ended		six months ended		six months ended		six months ended	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Segment revenue:																
Sales to external customers	182,185	161,999	56,307	57,372	-	-	15,491	-	58	371	98,671	102,242	-	-	352,712	321,984
Inter-segment sales	-	-	3,071	5,717	-	-	-	-	-	-	-	-	(3,071)	(5,717)	-	-
Other revenue	1,527	762	884	2,589	-	-	5,978	265	-	-	5,467	1,659	-	-	13,856	5,275
Total	183,712	162,761	60,262	65,678	-	-	21,469	265	58	371	104,138	103,901	(3,071)	(5,717)	366,568	327,259
Segment results	5,056	3,985	(12,277)	(1,067)	-	-	2,918	160	(4,716)	351	5,266	(1,962)	-	-	(3,753)	1,467
Interest:																
dividend income and income unallocated gains															13,280	7,046
Gain on disposal of partial interests in subsidiaries, net															8,144	-
Unallocated expenses															(2,332)	(8,922)
Profit/(loss) from operating activities															15,349	(409)
Finance costs															-	(1)
Share of profits less losses of associates															357	1,333
Profit before tax															15,706	923
Tax															(359)	(579)
Profit before minority interests															15,347	344
Minority interests															4,812	659
Net profit from ordinary activities attributable to shareholders															20,159	1,003



4. Reversal of impairment loss on interest in an associate

Reversal of impairment loss on interest in an associate represents the reversal of impairment loss on interest in an associate made in prior years based on the director's reassessment of estimate recovered amount of an associate as the Group disposed of its interest in an associate.

5. Profit/(loss) from operating activities

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	Six months ended 30 June	
	2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Depreciation	18,270	17,181
Amortisation of prepaid rental	430	368
Amortisation and write-off of deferred product development costs	677	573
Net gain on disposal of listed equity investments	(60)	–
Unrealised holding loss on listed equity investments	803	–
Provision against inventories	722	1,762
Interest income	(603)	(2,168)

6. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the period.

	Six months ended 30 June	
	2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Group:		
The People's Republic of China:		
Hong Kong	217	347
Mainland China	142	232
	<u>359</u>	<u>579</u>



7. Earnings per share

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the period of HK\$20,159,000 (2003: HK\$1,003,000) and the weighted average of 286,068,644 (2003: 286,068,644) shares in issue during the period. Diluted earnings per share for the period ended 30 June 2004 has not been disclosed, as there is no outstanding share option during the period. For the period ended 30 June 2003, no diluted earnings per share had been shown as the share options outstanding had an anti-dilutive effect on the basic earnings per share.

8. Negative goodwill

	HK\$'000 (unaudited)
Cost:	
Balance brought forward and at 30 June 2004	88,680
Accumulated recognition as income:	
Balance brought forward	48,334
Recognition as income during the period	9,598
At 30 June 2004	57,932
Net carrying amount at	
30 June 2004	30,748
31 December 2003	40,346



9. Accounts receivable

The aged analysis of the Group's accounts receivable is as follows:

	30 June	As at
	2004	31 December
	HK\$'000	2003
	(unaudited)	HK\$'000
		(audited)
Current to three months	96,688	111,448
Four to six months	27,076	17,509
Seven months to one year	14,322	16,202
Over one year	7,571	5,450
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	145,657	150,609
Provision	(9,383)	(10,193)
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	136,274	140,416
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The normal credit period granted by the Group to customers ranges from 21 days to 120 days.

10. Accounts payable

The aged analysis of the Group's accounts payable is as follows:

	30 June	As at
	2004	31 December
	HK\$'000	2003
	(unaudited)	HK\$'000
		(audited)
Current to three months	76,704	94,877
Four to six months	23,985	19,893
Seven months to one year	15,449	3,252
Over one year	548	1,253
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	116,686	119,275
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11. Share capital

	As at 30 June 2004	
	No. of shares (in thousand)	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	<u>50,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At beginning of period and at end of period	<u>286,069</u>	<u>2,861</u>

12. Connected and related party transactions

As at 30 June 2004, the Group had the following connected party transactions:

- (1) A loan of HK\$15,650,000 (31 December 2003: HK\$7,000,000) was granted by a wholly-owned subsidiary of the Group to E-Top PCB Limited ("E-Top"), a subsidiary of the Group, for its general working capital. The loan was unsecured, bore interest at the one-month Hong Kong dollar time deposit rate and had no fixed terms of repayment.
- (2) In addition, the Group had certain banking facilities, with a total limit of HK\$30.3 million (31 December 2003: HK\$22.4 million), which were used by a wholly-owned subsidiary of the Group. These banking facilities were secured by corporate guarantees executed by E-Top and Plentiful Light Limited, both of which are subsidiaries of the Group, and certain wholly-owned subsidiaries of the Group, and certain leasehold land and buildings of the Group.
- (3) As at 30 June 2004, a promissory note of HK\$163,000,000 (31 December 2003: HK\$163,000,000) with accrued interest HK\$6,430,000 (31 December 2003: HK\$1,527,000) shall be repaid by Swank International Manufacturing Company Limited ("Swank"), a 51% owned subsidiary of the Group, to Probest Holdings Inc. ("Probest"), a wholly-owned subsidiary of the Group, by instalments in accordance with the terms agreed on 3 September 2003. The promissory note was unsecured, bore interest at 1% per annum over the Hong Kong prime rate and repayable in three annual instalments commencing from 1 June 2004. At 30 June 2004, the principal of HK\$25,500,000 and the accrued interest of HK\$6,430,000 were overdue. The Group is now negotiating with Swank about the repayment plans of the overdue promissory note principal and the accrued interest.



12. Connected and related party transactions (continued)

- (4) Below is a summary of material transactions between Swank and of its certain associates which were carried out in the normal course of business on commercial terms during the period:

	Six months ended 30 June	
	2004	2003
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Sales of finished goods to associates	4,767	4,087
Purchases of raw materials and finished goods from associates	7,270	6,207
Management fee income from associates	301	1,559
Rent paid to a joint venture partner	1,415	1,387

Amount due to associates are disclosed in the condensed consolidated balance sheet. Amount due from associates at 30 June 2004 amounted to HK\$6,836,000 (31 December 2003: HK\$5,005,000) and is included in the interests in associates.

13. Contingent liabilities

	Company	
	As at	
	30 June	31 December
	2004	2003
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Guarantee of banking facilities granted to subsidiaries	30,300	22,400

INTERIM DIVIDEND

The Board have resolved that no interim dividend will be declared in respect of the six months ended 30 June 2004 (2003: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review



Hong Kong economy has enjoyed a remarkable economic recovery since the third quarter of last year when the SARS was over. The return of confidence boosted private consumption that largely benefited the retail and property market in Hong Kong. However, the manufacturing industries still faced keen price competition in the export market and the gradual rising in overhead costs in Mainland China in particular within the Pearl River Delta region. For the six months period ended 30 June 2004, although the turnover of electronic business comprises of manufacturing and sales of electronic products and PCBs reached HK\$238.5 million (2003: HK\$219.4 million), representing a 9% increase compared with the same period of last year, the electronic business has suffered a loss of HK\$7.2 million (2003: profit of HK\$2.9 million).

Together with the contribution from lithium rechargeable battery parts production for Matsushita Group, the electronic products division as a whole recorded a 12% increase in turnover to HK\$182.1 million compared with the same period of last year (2003: HK\$161.9 million). Such segmental profit increased by over 27% to HK\$5.1 million (2003: HK\$4.0 million). Nevertheless, the sale of consumer electronic products confronted with a very keen price competition in the market especially on low-end products from manufacturers of Mainland China. Facing such keen competition, the Group is on the way to adjust its marketing strategies and is aggressively developing new high-end product lines. During this change-over period, the business growth was unavoidably being suppressed. It was in fact preparing a solid foundation for further growth in the near future. On the other hand, the new business for the production of lithium rechargeable battery parts was in full operation in the first half of the year 2004. Although the total order quantity was a little bit below the original forecast from Matsushita Group, the battery parts business still performed very satisfactory during the period under review.

For the manufacture and sale of printed circuit boards ("PCB"), market competition and quality issues continually bothered the management of the Group. Turnover decreased by about 6% to HK\$59.4 million (2003: HK\$63.1 million). In view of some quality issues causing abnormal material losses, the PCB business sustained a loss of HK\$12.3 million (2003: HK\$1 million).

During the period under review, turnover increased substantially for trading of listed equity investments and profit for the business increased to HK\$2.9 million (2003: HK\$0.2 million).

The business for provision for loan finance was still inactive during the period.



The optical products segment recorded a segmental profit of HK\$5.3 million for the six months ended 30 June 2004, compared to a net loss of HK\$2.0 million recorded for the same period last year. The business recorded a turnover of HK\$98.7 million, representing a decrease of HK\$3.5 million or 3% lower than the same period last year as a result of decrease in sales orders.

Corporate Move

On 16 December 2003, the Group entered into a sale and purchase agreement with Kingsway Lion Spur Technology Limited (“Kingsway Lion Spur”) and Rich Global Investments Limited (“Rich Global”), both are the wholly owned subsidiaries of SW Kingsway Capital Holdings Limited, whereby Probest agreed to sell and Kingsway Lion Spur and Rich Global agreed to purchase 593,724,000 Swank shares at a consideration of HK\$0.0269 per Swank share, totaling HK\$16.0 million (the “S&P Agreement”). The transaction gave rise to a total gain of HK\$16.0 million, of which HK\$7.4 million was recognised in year 2003 and HK\$8.6 million was recognised for the period ended 30 June 2004. Upon completion of the S&P Agreement, the Group’s shareholding in Swank was reduced from 70% to 51%. In addition, the Group granted an option to Rich Global, whereby Rich Global could purchase 50% interest in Probest at a consideration of HK\$15.7 million within a period of 15 months from the date of an option agreement. Certain conditions need to be satisfied before Rich Global could exercise the option. Should the option be exercised by Rich Global, the Group’s effective shareholding in Swank would further be reduced to 25.5%.

Liquidity and Financial Review

As at 30 June 2004, cash and bank balances (including time deposits) maintained by the Group were HK\$366.6 million, representing an decrease of HK\$90 million compared with the position as at 31 December 2003. On the other hand, the Group has available banking facilities of HK\$30.3 million. It is believed that the Group has adequate cash resources to meet the normal working capital requirements and all commitments for future development. The gearing of the Group, measured as total debts to total assets, was 22.8% as at 30 June 2004, comparing with 23.7% as at 31 December 2003.

Most of the business transactions conducted by the Group were nominated in Hong Kong Dollars, United States Dollars and Renminbi. As at 30 June 2004, there was no outstanding forward contract in foreign currency committed by the Group that might involve it in significant foreign exchange risks and exposures.



Human Resources

As at 30 June 2004, the Group employed approximately 5,060 employees, with about 4,900 in the Mainland China and about 160 in Hong Kong. All employees are remunerated based on industry practice and in accordance with the prevailing labour law. In Hong Kong, apart from basic salary, staff benefits include medical insurance, performance related bonuses and mandatory provident fund would be provided by the Group.

Future Plans

The outlook for the global economy is generally favourable in the second half of the year 2004. However, there are certain risk factors that are likely to affect the overall economy, including the rising of crude oil prices, the interest rate hikes in the United States and the macro-economic realignment in Mainland China.

The Group will continuously focus on research and development. Product upgrade and diversification is our target. In consequence of the successful development of more radio-frequency products, the Group is on the way to reach a more sophisticated market where the customers concern more on the product quality with lesser price sensitivity. The management also keeps on looking for the business opportunity to work with international well-known electronic companies either on co-operation or sub-contracting basis. It might help the Group to enhance its production techniques and promote its image in the electronic industry.

As the economic condition of Hong Kong is improving, the Group will become more active in the equity market in order to look for a medium to long-term profitability. The Group will adopt a more sophisticated approach in selecting potential stocks in the market.

It is expected that the demand for loan financing will remain low in the second half of the year.

For optical product business, although the turnover and the gross profit margin for the current period decreased, the management continues to develop higher quality product with higher margin for our current and new customers as well as shorten the delivery lead time in order to increase our sales orders. Also, we will continue to put more effort to lower our costs and thus improve our margin.



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2004, the interests of the directors in the shares and underlying shares of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Directors' interest in shares

Name of Director	Notes	Nature of interest	Number of shares
Mr. Yau Tak Wah, Paul	1	Corporate	14,847,400
Mr. Tam Ping Wah	2	Corporate	8,000

Notes:

1. These shares were held through Pacific Shore Profits Limited, a company beneficially owned by Mr. Yau Tak Wah, Paul.
2. These shares were held through Strong Trend International Limited, a company beneficially owned by Mr. Tam Ping Wah.

SHARE OPTION SCHEME

As at 30 June 2004, the particulars in relation to the share option schemes of the Company or any of its subsidiaries that are required to be disclosed under Rules 17.07 and 17.08 of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Listing Rules") and SSAP 34, were as follows:

(a) Share option scheme of the Company

As at 30 June 2004, the Company has no share options outstanding.

(b) Share option scheme of Swank

As at 30 June 2004, Swank has no share options outstanding.



SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, according to the register of interest in shares and short positions required to be kept by the Company under section 336 of the SFO, the Company has been notified that the following shareholder was interested in 5% or more of the share capital of the Company.

Name of Shareholder	Notes	Number of Ordinary Shares	Approximate Percentage
Winspark Venture Limited	1	165,835,963	58.0%
Mr. Yau Tak Wah, Paul	2	14,847,400	5.2%

Notes:

1. The entire issued share capital of Winspark Venture Limited is beneficially owned by Mr. Chan Yuen Ming.
2. These shares were held through Pacific Shore Profits Limited, a company beneficially owned by Mr. Yau Tak Wah, Paul.

Saved as disclosed above, the directors of the Company are not aware of any person who is, directly or indirectly, interested in 5% or more of the issued share capital of the Company, has short positions in the share or underlying shares or has any rights to subscribe for shares in respect of such capital.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

As at the date hereof, the Board comprises of seven directors, of which five are executive directors, namely Mr. Yau Tak Wah, Paul, Mr. Tam Ping Wah, Ms. Louie Mei Po, Ms. Wong Shin Ling, Irene, and Mr. Tam Wing Kin and two independent non-executive directors, namely Mr. Ng Wai Hung and Mr. Cheung Chung Leung, Richard.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2004, except that the independent non-executive directors of the Company are not appointed for specific terms, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's By-laws.



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for directors' securities transactions and all its directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

AUDIT COMMITTEE

The 2004 interim report has been reviewed by the Company's Audit Committee which comprises two independent non-executive directors.

By Order of the Board
Yau Tak Wah, Paul
Chairman

Hong Kong, 24 September, 2004