

CODE OF BEST PRACTICE

The independent non-executive Directors of the Company were not appointed for a specific term but were subject to re-election in a specified period in accordance with the Company's Bye-laws. Save as disclosed above, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules.

GENERAL

As at the date hereof, the executive directors of the Company are Mr. Liu Deshu who is also the Chairman, Mr. Song Yu Qing who is also the Deputy Chairman and Chief Executive Officer, Ms. Chen Hao, Mr. Chu David Yu Lin and Mrs. Chu Ho Miu Hing. The independent non-executive directors are Dr. Li Ka Cheung, Eric, Mr. Ko Ming Tung, Edward and Mr. Tang Tin Sek.

By Order of the Board

Song Yu Qing

Deputy Chairman and Chief Executive Officer

Hong Kong, 17 December 2004