

PURCHASE, SALE AND REDEMPTION OF SHARES

During the period under review, neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's shares.

AUDIT COMMITTEE

The audit committee, which comprises of three independent non-executive directors of the Company, has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Group's unaudited financial statements for the six months period ended 30 September 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the period under review.

DISCLOSURE OF INFORMATION ON THE INTERNET

All information required by paragraphs 46 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange of Hong Kong Limited in due course.

By Order of the Board

Wang Chun Lin

Chairman

Hong Kong, 20 December, 2004.

The directors of the Company as at the date of this report are Messrs. Wang Chun Lin being the Executive Director, Messrs. Luk Cheong, Wang Annie and Li Jian Wei being the Non-Executive Directors. Messrs. Li Man Nang, Wang Tianye and Fang Tsz Ying being the Independent Non-Executive Directors.