

#### AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code.

The audit committee comprises three independent non-executive directors, namely Mr. Wee Soon Chiang, Henny, Mr. Wong Kam Kau, Eddie and Mr. Hui Hung, Stephen. The interim results for the six months ended 31st December, 2004 have been reviewed by the audit committee, who were of the opinion that the preparation of such results complied with applicable accounting standards and legal requirements and that adequate disclosures had been made.

The unaudited interim financial statements for the six months ended 31st December, 2004 has also been reviewed by the Group's auditors in accordance with the Statement of Auditing Standards 700 issued by the Hong Kong Institute of Certified Public Accountants.

#### 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 31st December, 2004.

#### COMPLIANCE WITH THE 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 for any part of the period ended 31st December, 2004 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except that the independent non-executive directors of the Company have not been appointed for a specific term of office but retire from office on a rotational basis in accordance with the Company's Articles of Association.

#### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transaction. Having made specific enquiry of all directors of the Company, they confirm that they complied with the required standard as set out in the Model Code during the six months ended 31st December, 2004.

By Order of the Board  
**XIONG JIAN RUI**  
*Chairman*

Hong Kong, 23rd March, 2005