CORPORATE GOVERNANCE

During the six months ended 30 June 2005, no options were granted, exercised and lapsed.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June, 2005.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, Mr. Lee Chung-Yin Peter, Mr. John Ho and Mr. Tse Wan-Chung Philip. Mr. John Ho is the chairman of the Committee. The Committee has adopted terms of reference which are in line with the Code and the Corporate Governance Code. The Group's unaudited financial statements for the six months ended 30 June, 2005 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

COMPLIANCE WITH CHAPTER 13 OF THE LISTING RULES

The following information is disclosed pursuant to rules 13.18 and 13.21 of Chapter 13 of the Listing Rules:

The Company entered into a loan agreement on 29 April, 2005 with a syndicate of banks for a 4-year transferable term loan facility of up to HK$380 million to refinance a previous loan facility and for general working capital purposes. This loan agreement includes conditions to the effect that: (a) Mr. Senta Wong, the controlling shareholder of the Company, together with his associates, must remain the single largest shareholder of the Company; (b) Mr. Senta Wong, together with his associates and his other family members, must hold more than 50% of the issued share capital of the Company; and (c) Mr. Senta Wong must remain as the Chairman or the Chief Executive Officer of the Company. A breach of any of the above conditions will constitute an event of default under the Loan Agreement. If such an event of default occurs, all amounts outstanding under the facility may become immediately due and payable. As at the latest practicable date, none of the above events of default has occurred.