

CORPORATE GOVERNANCE

The Company has complied throughout the six month ended 30 June 2005 with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except that independent non-executive directors are not appointed for a special term as recommended under Appendix 14 of the Listing Rules. According to the Bye-laws of the Company, independent non-executive directors of the Company will retire by rotation, and their appointment will be reviewed when they are due for re-election. In the opinion of the Company, this meets the same objective as the Code on Corporate Governance Practices.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the unaudited interim financial report for the six months ended 30 June 2005.

REMUNERATION COMMITTEE

In compliance with the Code on Corporate Governance Practices, the Company has established its remuneration committee ("Remuneration Committee") on 1 August 2005.

The Remuneration Committee comprises three Independent Non-executive Directors, namely, Mr. Lam Bing Kwan (Chairman of the Remuneration Committee), Mr. Chow Siu Ngor and Mr. Ting Leung Huel Stephen and an Executive Director, Mr. Chiu Wing Keung. The Remuneration Committee has adopted terms of reference which are in line with the Code on Corporate Governance Practices.

By order of the Board

Leung Chung Shan

Chairman and Executive Director

Hong Kong, 16 September 2005

As at the date of this interim financial report, the Board comprises Mr. Leung Chung Shan, Mr. Tam Lup Wai, Franky and Mr. Chiu Wing Keung being Executive Directors and Mr. Chow Siu Ngor, Mr. Ting Leung Huel, Stephen and Mr. Lam Bing Kwan being Independent Non-Executive Directors.