

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

During the six months ended 30 September 2005, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied throughout the six months ended 30 September 2005 with the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 to the Listing Rules, except for Code Provision A.2.1 which stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Chan Chung Yee, Hubert currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2005.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting policies adopted by the Group and discussed internal control and financial reporting matters, including the review of the interim financial statements which have not been audited.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee was established on 1 April 2005 with specific written terms of reference which deal clearly with its authorities and duties. The members of the remuneration committee comprises Mr. Chu Chor Lup, Mr. Chiu Ngar Wing and Mr. Wu Kwok Lam. Mr. Chu Chor Lup and Mr. Chiu Ngar Wing are independent non-executive directors.

APPRECIATION

We would like to extend our sincere gratitude to our shareholders, business counterparts and all management and the staff members of the Group for their contribution and continued support during the period.

On behalf of the Board
Chan Chung Yee, Hubert
Chairman

Hong Kong, 6 December 2005