

CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2001 in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Code of Best Practice"), except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's Bye-Laws.

AUDIT COMMITTEE

The Group has established the audit committee according to the Code of Best Practice. In setting out the written terms of reference the Directors had made reference to the "Guide for the Formation of an Audit Committee" published by the Hong Kong Society of Accountants. The Committee comprises the two independent non-executive directors, Mr. Lam Ping Cheung and Mr. Sun Lup Chung. These interim results have been reviewed by the auditors, Messrs. BDO International, certified public accountants.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2001.

By Order of the Board
Chuang Yueheng, Henry
Chairman

Hong Kong, 21 September 2001

* For identification purpose only