

PRACTICE NOTE 19 OF THE LISTING RULES

In compliance with the continuing disclosure requirements under paragraph 3.9 of Practice Note 19 of the Listing Rules, the Directors reported below details of the facility agreements which included conditions relating to the specific performance of the controlling shareholder of the Company.

On 25 March 2002, the Company entered into a facility agreement (the “2002 Facility Agreement”) for a 3-year transferable loan facility of up to US\$60 million and it was a condition under the 2002 Facility Agreement that Legend Holdings Limited (“LHL”), the controlling shareholder of the Company, should remain as the single largest shareholder of the Company throughout the term of the 2002 Facility Agreement, failing which it would constitute an event of default.

On 24 March 2003, the Company entered into another facility agreement (the “2003 Facility Agreement”) with a syndicate of banks (the “Banks”) for a 4-year transferable loan facility of up to US\$70 million. The said loan facility has been used by the Company to repay in full the outstanding amounts under the 2002 Facility Agreement and thereafter, finance its general working capital.

The 2003 Facility Agreement includes a condition to the effect that LHL is to beneficially hold not less than 40% of the issued share capital of the Company throughout the term of the 2003 Facility Agreement. A breach of such condition, if not remedied within 30 days after the agent of the Banks has given written notice to the Company, shall constitute an event of default under the 2003 Facility Agreement and, upon such occurrence, no further advances are allowed and all amounts outstanding under the 2003 Facility Agreement shall immediately become due and payable.

At 30 September 2003, the loan facility under the 2003 Facility Agreement had been fully drawn and all remained outstanding.

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

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.