

(2) Appointment of director and company secretary

On 23rd and 24th of February 2004, Mr. Chan Wing Yau George and Mr. Chan Cheuk Ho were appointed as director and company secretary of the Company respectively.

CONTINGENT LIABILITIES

As at 31st December 2003, the Group and the Company did not have any significant contingent liabilities.

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 31st December 2003.

AUDIT COMMITTEE

The audit committee of the Group has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 31st December 2003.

COMPLIANCE WITH THE 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 accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the independent non-executive directors have not been appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's Bye-laws.

By Order of the Board

Sean Liu

Director

Hong Kong, 24th March 2004