

Notes:

- (a) Dato' Dr. Cheng Yu Tung is a shareholder of Chow Tai Fook Enterprises Limited, which, together with its associated companies, has a beneficial interest in 6,762,750 shares of the Company.
- (b) Mr. Chung Ming Fai controls more than one-third of the voting power of Fu Hop Investment Company Limited which held 1,000 shares in the Company.

Save for the interests in shares referred to above, no other person is recorded in the register kept pursuant to Section 336 of the SFO as having an interest in 5% or more of the issued share capital of the Company as at 31 March 2004.

Purchase, Sale or Redemption of Shares

Neither the Company nor its subsidiary company has purchased, sold or redeemed any of the Company's shares during the six months ended 31 March 2004.

Audit Committee

The Audit Committee engaged the auditors to assist the Committee in its review of the interim financial report. The auditors conducted their review in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the HKSA. The review consisted of management enquiries and analytical procedures, but excluded audit procedures. On 7 June 2004, the Committee met with the management and the auditors to review the unaudited interim report and consider the significant accounting policies, and to discuss with the management the Group's internal control system.

Code of Best Practice

During the financial period, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association of the Company.

Dato' Dr. Cheng Yu Tung
Chairman

Hong Kong, 14 June 2004