

INTERIM DIVIDEND

No interim dividend has been declared by the Board for the Period (2003: nil).

INTERESTS OF DIRECTORS

As at 31st July, 2004, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of director	Capacity	Number and class of securities	Percentage of issued ordinary share capital
Jong Kong Ki	Corporate (Note 1)	21,600,000 ordinary shares of HK\$1.00 each ("Shares") (L)	25.08%
Lo Cheung Kin	Corporate (Note 2)	14,141,399 Shares (L) 3,032,239 convertible preference shares of HK\$1.00 each ("CP Shares") (L)	16.42%
So Yiu Kong	Beneficial	982,000 Shares (L)	1.14%
Chu Kwok Chue	Beneficial	420,000 Shares (L)	0.49%

(L) denotes long position

Notes:

- 16,650,000 Shares were held in the name of Nordstan Company Limited, 89.50% of the issued shares of which was beneficially owned by Mr. Jong Kong Ki, 3,918,000 Shares and 1,032,000 Shares were held in the name of Kik Keung Finance Limited and Benwee Company Limited respectively, both of which were beneficially owned by Mr. Jong Kong Ki.
- These Shares and CP Shares were held in the name of Mass Honour Investment Limited which was controlled by Mr. Lo Cheung Kin.

Save as disclosed herein, as at 31st July, 2004, none of the directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors and the chief executive of the Company, as at 31st July, 2004, the following persons (not being directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholder	Capacity	Number and class of securities	Percentage of issued ordinary share capital
Nordstan Company Limited	Beneficial	16,650,000 Shares (L)	19.33%
Mass Honour Investment Limited	Beneficial	14,141,399 Shares (L) 3,032,239 CP Shares (L)	16.42%
Hooi Tak Piu	Beneficial	4,692,000 Shares (L)	5.45%
Li Jian Bo	Beneficial	4,594,000 Shares (L)	5.33%

(L) denotes long position

Save as disclosed above, as at 31st July, 2004, the directors and the chief executive of the Company were not aware of any other person (other than the directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the Period, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules, except that the Company's non-executive directors were not appointed for a specific term and the term of office of each of them is the period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has on 20th May, 2004 adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard as set out in the Code for the Period.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the Period.

By order of the Board
Jong Kong Ki
Chairman

Hong Kong, 25th October, 2004

As at the date of this Interim Report, the executive directors of the Company are Mr. Jong Kong Ki, Mr. Lo Cheung Kin, Mr. So Yiu Kong, Mr. Jong Tat Fung and Ms. Yin Hoi Yeung; the non-executive directors of the Company are Mr. Chu Kwok Chue and Ms. Jong Lai Ching; and the independent non-executive directors of the Company are Mr. Siu Wing Keung, Mr. David Gregory Jeaffreson, CBE, JP and Mr. See Tak Wah.