

MATERIAL ACQUISITIONS OR DISPOSALS

There was no material acquisitions or disposals of subsidiaries or associates during the six months ended 30 September 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Listing Rules, throughout the six months accounting period ended 30 September 2004, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Company’s Articles of Association.

AUDIT COMMITTEE

The Company has an audit committee (the “Committee”) which was established in accordance with the requirements of the Code and comprises the three independent non-executive directors of the Company. The interim report for the six months ended 30 September 2004 has been reviewed by the Committee which has been established for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls.

By order of the Board

Yeung Kit

Director

Hong Kong, 30 December 2004

