

CORPORATE GOVERNANCE AND OTHER INFORMATION

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions of the Code on Corporate Governance Practices ("Code on CG Practices") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2005.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") in September 1998. The terms of reference of the Audit Committee adopted by the board of directors of the Company are in line with the Code on CG Practices. The existing Audit Committee comprises the three independent non-executive directors, Mr. Cheng Hok Lai James, Mr. Choi Kam Fai Thomas and Mr. Fung Lak as members. The principal duties of the Audit Committee include the review of the effectiveness of the completeness, accuracy and fairness of the Company's financial reports and internal control systems.

REMUNERATION COMMITTEE

The Company has also established a remuneration committee ("Remuneration Committee") in accordance with the Listing Rules. The terms of reference of the Remuneration Committee adopted by the board of directors of the Company are in line with the Code on CG Practices. The existing Remuneration Committee comprises Mr. Zhang Chunting, Mr. Cheng Hok Lai James, Mr. Choi Kam Fai Thomas and Mr. Fung Lak as members. The principal duties of the Remuneration Committee include the review of the remuneration policy and compensation of the directors and senior management of the Company.

NOMINATION COMMITTEE

The Company has also established a nomination committee ("Nomination Committee") in accordance with the Listing Rules. The terms of reference of the Nomination Committee adopted by the board of directors of the Company are in line with the Code on CG Practices. The existing Nomination Committee comprises Mr. Zhang Chunting, Mr. Cheng Hok Lai James, Mr. Choi Kam Fai Thomas and Mr. Fung Lak as members. The principal duties of the Nomination Committee include the process of nominating and recommending candidates to fill vacancies on the Board of Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2005.

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REVIEW OF INTERIM RESULTS

The Group's interim financial report for the six months ended 30 June 2005 has not been audited, but has been reviewed by the Audit Committee and the Company's auditors Messrs. Ernst & Young.

PURCHASE, SALE AND 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 six months ended 30 June 2005.

By Order of the Board
Zhang Chunting
Chairman

Hong Kong
9 September 2005