

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has initiated and continues to ensure steps taken to enhance corporate governance practices set out in the Code on Corporate Governance Practices (Appendix 14 of the Listing Rules) (the “C.G. Code”). In the opinion of the directors, the Company complied with the C.G. Code throughout the accounting period covered by the report, except that the independent non-executive directors are not appointed for specific terms as required by A.4.1 of the C.G. Code, but are subject to retirement by rotation and re-election at the Company’s Annual General Meeting in accordance with the Articles of the Company.

AUDIT COMMITTEE

The Company has an audit committee (the “Committee”) which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls and comprises the three independent non-executive directors. The financial statements of the Company for the period ended 30 September 2005 have been reviewed by the Committee before they were tabled for the Board’s review and approval.

By Order of the Board

Tang Yan Tian

Chief Executive Officer

Hong Kong, 17 November 2005

As at the date of this report, the Board comprises Mr. Leung Ngai Man, Mr. Yeung Kit, Mr. Wong Wa Tak and Mr. Tang Yan Tian as executive directors and Mr. Chan Sing Fai, Mr. Cai Wei Lun and Mr. Leung Wai Cheung as independent non-executive directors.

