



CAPITAL PUBLICATIONS LIMITED

資本出版有限公司

(Incorporated in the Cayman Islands with limited liability)

THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors of Capital Publications Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

QUARTERLY RESULTS

The board of directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30 September 2003, together with the comparative unaudited figures for the corresponding periods in 2002, as follows:

CONSOLIDATED INCOME STATEMENT — UNAUDITED

		Three months ended		Nine months ended	
		30 September		30 September	
		2003	2002	2003	2002
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	2,883	1,633	6,517	4,596
Direct operating expenses		(2,967)	(1,601)	(5,865)	(4,215)
Other operating income		24	29	64	29
Selling and distribution costs		(1,475)	(289)	(2,543)	(891)
Administrative expenses		(842)	(1,315)	(2,482)	(2,784)
Net loss before taxation	3	(2,377)	(1,543)	(4,309)	(3,265)
Taxation	4	—	—	—	—
Net loss attributable to shareholders		(2,377)	(1,543)	(4,309)	(3,265)
Loss per share - Basic	6	HK(0.47) cent	HK(0.31) cent	HK(0.85) cent	HK(0.69) cent

Notes:

1 GROUP REORGANISATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 9 July 2001 as an exempted limited company under the Companies Law (2001 Second Revision) of the Cayman Islands. The Company's shares were listed on GEM of the Stock Exchange on 18 July 2002.

Pursuant to a series of group reorganisation steps (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM of the Stock Exchange, the Company became the holding company of companies now comprising the Group on 22 February 2002.

Details of the Reorganisation are set out in the prospectus of the Company dated 10 July 2002 (the “Prospectus”). The Reorganisation principally involved the exchange of fully paid shares of the Company for the entire share capital of Media Bonus Limited.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the unaudited consolidated results of the Group for the three months and nine months ended 30 September 2002 have been prepared on the merger accounting basis as if the Company had always been the holding company of the Group in accordance with the Statement of Standard Accounting Practice (“SSAP”) No. 27 “Accounting for Group Reconstructions” issued by the Hong Kong Society of Accountants (“HKSA”).

The unaudited consolidated income statements for the three months and nine months ended 30 September 2003 have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

The accounting policies adopted by the Group are consistent with those followed in the annual financial statements for the year ended 31 December 2002, except for the new adoption of SSAP No. 12 (Revised) “Accounting for Income Taxes” issued by the HKSA, which has no significant impact on the unaudited consolidated income statement for the nine months ended 30 September 2003. The unaudited consolidated income statement has been prepared in accordance with SSAPs issued by the HKSA, the accounting principles generally accepted in Hong Kong, the disclosure requirements of Hong Kong Companies Ordinance and the GEM Listing Rules.

2 TURNOVER

	Three months ended		Nine months ended	
	30 September		30 September	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of magazines	720	248	1,332	742
Advertising income	2,149	1,385	4,923	3,824
Promotion and marketing income	14	—	262	30
	<u>2,883</u>	<u>1,633</u>	<u>6,517</u>	<u>4,596</u>

During the three months and nine months ended 30 September 2003, the Group's revenue from advertising barter transactions was approximately HK\$286,000 and HK\$363,000 respectively (three months and nine months ended 30 September 2002: both amounting to HK\$3,000).

The Group is principally engaged in magazine publishing and advertising activities in Hong Kong during the period. Accordingly, the directors of the Company consider there is only one business and geographical segment and no analysis of segmental assets and liabilities by geographical location is presented.

3 NET LOSS BEFORE TAXATION

Net loss before taxation has been arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff cost (including directors' emoluments)	2,385	1,730	5,270	4,348
Retirement benefits scheme contributions	67	81	171	173
	<u>2,452</u>	<u>1,811</u>	<u>5,441</u>	<u>4,521</u>
Provision for bad and doubtful debts	31	—	34	—
Depreciation	51	25	122	46
Auditors' remuneration	75	50	225	150

4 TAXATION

No Hong Kong profits tax was provided because the Group had no assessable profit arising in or derived from Hong Kong during the nine months ended 30 September 2003 (nine months ended 30 September 2002: Nil).

As at 30 September 2003, no deferred tax asset has been recognised in respect of the unused tax losses of approximately HK\$13,300,000 (31 December 2002: approximately HK\$9,000,000), which are subject to the agreement of the Inland Revenue Department of the Hong Kong Special Administrative Region of the People's Republic of China, due to the unpredictability of future profit streams.

5 DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the nine months ended 30 September 2003 (nine months ended 30 September 2002: Nil).

6 LOSS PER SHARE

The calculation of basic loss per share for the three months and nine months ended 30 September 2003 is based on the unaudited consolidated loss attributable to shareholders of approximately HK\$2,377,000 and HK\$4,309,000 respectively (three months and nine months ended 30 September 2002: loss of approximately HK\$1,543,000 and HK\$3,265,000 respectively) and on the weighted average number of 506,498,344 shares in issue (three months and nine months ended 30 September 2002: on the weighted average number of approximately 498,240,518 and 470,135,677 shares respectively deemed to be in issue throughout the periods).

No diluted loss per share is presented because the exercise prices of the Company's options were higher than the average market price per share during the three months and nine months ended 30 September 2003, and there were no dilutive potential ordinary shares in existence during the three months and nine months ended 30 September 2002.

7 MOVEMENT OF RESERVES

	Three months ended 30 September 2003				2002
	Share premium HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Accumulated deficit HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
The Group					
At 1 July	11,483	6,044	(14,954)	2,573	(5,250)
Premium arising on issue of shares by means of placing	—	—	—	—	14,688
Share issue expenses	—	—	—	—	(3,205)
Net loss attributable to shareholders	—	—	(2,377)	(2,377)	(1,543)
At 30 September	<u>11,483</u>	<u>6,044</u>	<u>(17,331)</u>	<u>196</u>	<u>4,690</u>

	Three months ended 30 September 2003				2002
	Share premium HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Accumulated profit HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
The Company					
At 1 July	11,483	652	1,490	13,625	2,049
Premium arising on issue of shares by means of placing	—	—	—	—	14,688
Share issue expenses	—	—	—	—	(3,205)
Net profit attributable to shareholders	—	—	15	15	23
At 30 September	<u>11,483</u>	<u>652</u>	<u>1,505</u>	<u>13,640</u>	<u>13,555</u>

	Nine months ended 30 September				2002
	2003				
	Share premium	Capital reserve	Accumulated deficit	Total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The Group					
At 1 January	11,483	6,044	(13,022)	4,505	(5,469)
Issue of shares by a subsidiary at a premium	—	—	—	—	6,500
Issue of shares on Reorganisation	—	—	—	—	(456)
Premium arising on issue of shares by means of placing	—	—	—	—	14,688
Issue of bonus shares	—	—	—	—	(4,103)
Share issue expenses	—	—	—	—	(3,205)
Net loss attributable to shareholders	—	—	(4,309)	(4,309)	(3,265)
At 30 September	<u>11,483</u>	<u>6,044</u>	<u>(17,331)</u>	<u>196</u>	<u>4,690</u>

	Nine months ended 30 September				2002
	2003				
	Share premium	Capital reserve	Accumulated profit	Total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The Company					
At 1 January	11,483	652	1,453	13,588	—
Reserve arising on Reorganisation	—	—	—	—	652
Premium arising on issue of shares by means of placing	—	—	—	—	14,688
Share issue expenses	—	—	—	—	(3,205)
Issue of bonus shares	—	—	—	—	(4,103)
Net profit attributable to shareholders	—	—	52	52	5,523
At 30 September	<u>11,483</u>	<u>652</u>	<u>1,505</u>	<u>13,640</u>	<u>13,555</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the third quarter of the year, the Group dedicated its efforts to monitoring the Group's financial performance and reinforcing the business. In July 2003, the Group launched "資本壹週 Capital Weekly" on a trial basis as an extension to the existing "資本雜誌 Capital", the Group's flagship monthly magazine. The publication of "資本壹週 Capital Weekly" was suspended in mid-August 2003 pending a more suitable market environment. Increase in turnover and operating costs was mainly due to the launch of "資本壹週 Capital Weekly" and improvements in the performance of "資本雜誌 Capital" magazine.

The three months ended 30 September 2003 saw a growth in the turnover to approximately HK\$2,883,000, representing an increase of approximately 77% from approximately HK\$1,633,000 for the same period last year. Operating costs increased by approximately 65% compared with last year's corresponding period. Without taking into account the results of "資本壹週 Capital Weekly", turnover for the three months ended 30 September 2003 increased by approximately 32% and operating costs decreased by approximately 5%.

Turnover for the nine months ended 30 September 2003 was approximately HK\$6,517,000, representing an increase of approximately 42% as compared with the same period last year, while operating costs increased by approximately HK\$3,000,000 or approximately 38%.

The Group recorded a loss of approximately HK\$2,377,000 and HK\$4,309,000 for the three months and nine months ended 30 September 2003 (three months and nine months ended 30 September 2002: loss of approximately HK\$1,543,000 and HK\$3,265,000 respectively). The increases in operating losses as compared to corresponding periods last year were mainly attributable to the launching and the subsequent suspension of "資本壹週 Capital Weekly" which created a loss of approximately HK\$1,495,000 during the third quarter of the year. Without taking into account the financial impact of the suspension of "資本壹週 Capital Weekly", operating loss was reduced by approximately 63% and 35% respectively for the three months and nine months ended 30 September 2003.

LIQUIDITY AND FINANCIAL RESOURCES

During the nine months ended 30 September 2003, the Group's operation was mainly financed by the net proceeds of the placing of shares in July 2002 (the "Placing") and the internal financial resources of the Group.

As at 30 September 2003, the Group had net current assets of approximately HK\$4,388,000 (31 December 2002: approximately HK\$9,003,000).

The Board is of the opinion that, taking into account the internal financial resources of the Group and the net proceeds of the Placing, the Group has sufficient working capital for its present requirements. To the extent that the Group's cash resources are not immediately required for its ongoing operating and development requirements, such amounts are placed on time deposit with banks in Hong Kong.

During the nine months ended 30 September 2003, the Group did not make any material acquisitions and disposals of subsidiaries and affiliated companies and investment.

As at 30 September 2003, (i) the Group had no significant exposure to fluctuations in exchange rates and any related hedges; (ii) the Group had no charges on its assets; (iii) the Group had no significant investment held; (iv) the Group had no loan arrangements with or had not obtained any credit facilities from any financial institutions; and (v) the Group did not have any contingent liabilities.

As the Group had no bank borrowings, no gearing ratio (measured by bank borrowings net of cash and bank balance to shareholders' equity) is presented at 30 September 2003.

SIGNIFICANT INVESTMENT PLANS

As at 30 September 2003, the Group did not have any significant investment plans, except the plans set out in the section headed “Statement of Business Objectives” in the Prospectus.

PROSPECTS

Although there are signs of local economic recovery, the business environment is still intricate and will be affected by the scale and speed of the economic upturn. The management will continue to exploit the Group’s resources to optimise business growth and profitability.

Resources have been employed to strengthen our business teams, and we shall focus on developing new sources of revenue in addition to the traditional run of the page advertising.

The overall focus in the fourth quarter is to bring “資本雜誌 Capital” magazine to profitability, and form a strong base for corporate services in 2004.

Measures are being taken to reduce and rationalise operating and administrative expenses as the Group continues to explore and create new platforms to invest its resources in order to broaden and extend “資本雜誌 Capital” magazine’s market penetration and build the “資本雜誌 Capital” brand.

In addition to the production of a high quality magazine for our demanding readers, the Group also prepares itself pursuing opportunities to provide value added services to our corporate customers by assisting them in the promotion of their corporate images as well as their brand building perspectives and other marketing needs.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN EQUITY SECURITIES

As at 30 September 2003, 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 or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules, relating to the minimum standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange were as follows:

Name of director	Name of company	Capacity	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Ng Hung Sang, Robert	The Company	Beneficial owner	18,694,800	3.69%
	The Company	Corporate interest	318,132,403 (Note)	62.81%
Mr. Fung Ka Pun	The Company	Beneficial owner	6,000,000	1.18%

Note: The 318,132,403 shares referred to above include 92,966,000 shares held by Parkfield Holdings Limited (“Parkfield”), 99,012,563 shares held by Fung Shing Group Limited (“Fung Shing”), 4,166,400 shares held by Ronastar Investments Limited (“Ronastar”) and 121,987,440 shares held by Eartrade Investments Limited (“Eartrade”), which is owned as to 60%, 20% and 20% by Mr. Ng Hung Sang, Robert, Ms. Cheung Choi Ngor, Christina and Mr. Richard Howard Gorges, directors of South China Holdings Limited (“South China Holdings”), respectively. The 121,987,440 shares referred to above include the 59,325,840 shares held by Bannock Investment Limited (“Bannock”) which is a wholly owned subsidiary of Eartrade. Each of Parkfield, Fung Shing and Ronastar is wholly owned by Mr. Ng Hung Sang, Robert.

Save as disclosed above and the interests of a director of the Company in the share options of the Company as disclosed in the section headed "SHARE OPTION SCHEME" below, as at 30 September 2003, none of the directors or chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules, relating to the minimum standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company's existing share option scheme (the "Scheme") was adopted on 24 June 2002 and became effective on 18 July 2002. Particulars and movements of the outstanding share options granted under the Scheme during the nine months ended 30 September 2003 were as follows:-

Name or category of participant	Number of share options					As at 30/9/2003	Date of grant of share options <i>(Note a)</i>	Exercise period of share options	Price of the Company's shares		
	As at 1/1/2003	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				Immediately preceding		
									Initial exercise price per share <i>(Note b)</i> HK\$	the grant date of options <i>(Note c)</i> HK\$	the exercise date of options <i>(Note c)</i> HK\$
Director											
Mr. Fung Ka Pun	5,064,983	—	—	—	—	5,064,983	27/8/2002	27/8/2003 - 17/7/2012	0.27	0.25	N/A

Notes:

- (a) The vesting period of the share options is the period from the date of grant until the commencement of the exercise period. All share options referred to above are subject to one year's vesting period. The share options may be exercised, in whole or in part, in the following manner:

From the date of grant of share options	Exercisable percentage
Within 12 months	Nil
13th - 24th months	33 $\frac{1}{3}$ %
25th - 36th months	33 $\frac{1}{3}$ %
37th - 48th months	33 $\frac{1}{3}$ %

- (b) The exercise price is subject to adjustment. Provided always that any part of the share options not exercised in full in accordance with the periods specified above shall remain exercisable during the exercise period of share options but the exercise price shall be adjusted by increasing 5% per annum (on a cumulative basis) until such time as the relevant portion of the share options shall have been fully exercised or lapsed in accordance with the Scheme.
- (c) The price of the shares disclosed as immediately preceding the grant date of share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any director or chief executive of the Company, as at 30 September 2003, shareholders who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were directly, or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group were as follows:

Name of shareholder	Name of Company	Capacity	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Ng Hung Sang, Robert	The Company	Beneficial owner	18,694,800	3.69%
	The Company	Corporate interest	318,132,403 (Note a)	62.81%
Parkfield	The Company	Beneficial owner	92,966,000 (Note a)	18.35%
Fung Shing	The Company	Beneficial owner	99,012,563 (Note a)	19.55%
Eartrade	The Company	Beneficial owner	62,661,600 (Note b)	12.37%
	The Company	Corporate interest	59,325,840 (Note b)	11.71%
Bannock	The Company	Beneficial owner	59,325,840 (Note b)	11.71%
Ms. Ng Lai King, Pamela	The Company	Spouse's interest	336,827,203 (Note c)	66.50%

Notes:

- (a) The 318,132,403 shares referred to above include 92,966,000 shares held by Parkfield, 99,012,563 shares held by Fung Shing, 4,166,400 shares held by Ronastar and 121,987,440 shares held by Eartrade, which is owned as to 60%, 20% and 20% by Mr. Ng Hung Sang, Robert, Ms. Cheung Choi Ngor, Christina and Mr. Richard Howard Gorges, directors of South China Holdings, respectively. Each of Parkfield, Fung Shing and Ronastar is wholly owned by Mr. Ng Hung Sang, Robert.
- (b) Eartrade is the holding company of Bannock. Thus, Eartrade is deemed to be interested in the 59,325,840 shares of the Company held by Bannock.
- (c) Ms. Ng Lai King, Pamela is the wife of Mr. Ng Hung Sang, Robert and is taken to be interested in 336,827,203 shares in which Mr. Ng Hung Sang, Robert is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2003, the directors or chief executives of the Company were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group.

SPONSOR'S INTERESTS

Pursuant to the agreement dated 10 July 2002 entered into between the Company and MasterLink Securities (Hong Kong) Corporation Limited ("MasterLink"), MasterLink has received and will receive fees for acting as the Company's sponsor for the period from 18 July 2002 to 31 December 2004 or until the termination of the agreement upon the terms and conditions as set out therein.

As updated and notified by MasterLink, MasterLink, its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules), as at 30 September 2003, did not have any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

COMPETING INTERESTS

Mr. Ng Hung Sang, Robert, Co-Chairman, Chief Executive Officer and management shareholder of the Company, is also Chairman of South China Holdings and Jessica Publications Limited (“Jessica”). Mr. Ng Hung Sang, Robert, personally and through Parkfield, Fung Shing and Ronastar, has interest in South China Holdings and Jessica. Mr. Ng Hung Sang, Robert together with Ms. Cheung Choi Ngor, Christina and Mr. Richard Howard Gorges, management shareholders of the Company, have beneficial interests in Eartrade, which directly and indirectly through Bannock holds shares in South China Holdings and Jessica. Ms. Cheung Choi Ngor, Christina, who is an ex-director of Capital Publishing Limited, a wholly owned subsidiary of the Company and Mr. Richard Howard Gorges, are also directors of various members of South China Holdings. As Jessica and certain members of South China Media Limited (“SC Media”), a subsidiary of South China Holdings, are principally engaged in magazine publication, Mr. Ng Hung Sang, Robert, Ms. Cheung Choi Ngor, Christina and Mr. Richard Howard Gorges are regarded to be interested in such competing businesses of the Group. Likewise, Mr. Hui Ping, a director of the Company, is an ex-employee of SC Media. Ms. Ng, Jessica Yuk Mui, a non-executive director of the Company, is also a director of Jessica, South China Holdings and certain members of SC Media and therefore is regarded to be interested in such competing businesses of the Group.

Save as disclosed above and in the Prospectus, none of the directors or the management shareholders of the Company or their respective associates have any interest in any business, which competes or may compete or had any conflicts of interest with the business of the Group.

BOARD PRACTICES AND PROCEDURES

The Company has complied with the Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules since the shares of the Company were listed on GEM of the Stock Exchange on 18 July 2002.

AUDIT COMMITTEE

The Company established an audit committee on 25 February 2002 with written terms of reference in compliance with Rules 5.23 to 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting and internal control procedures of the Group. The audit committee comprises two members, Mr. Law Cho Wa, Richard and Dr. Lo Wing Yan, William, JP, who are independent non-executive directors of the Company.

The Group’s unaudited results for the three months and nine months ended 30 September 2003 have been reviewed by the audit committee, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company’s shares were listed on GEM on 18 July 2002 by way of placement. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities since that date.

On behalf of the Board
Ng Hung Sang, Robert
Co-Chairman

Hong Kong Special Administrative Region
of the People’s Republic of China
12 November 2003