

On 26 August 2002, a new share option scheme (“New Share Option Scheme”) was adopted by the Company in place of the Old Share Option Scheme. The purpose of the New Share Option Scheme is to provide incentives or rewards to the eligible persons as defined in the scheme for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employee and attract human resources that are valuable to the Group. No options have been granted under the New Share Option Scheme since its adoption.

The Directors consider it inappropriate to value the options as a number of factors that are crucial for the valuation cannot be determined accurately. Accordingly, such information is not disclosed in the interim report.

STAFF

As at 30 September 2002, the Group’s operations engaged approximately 60 staff and caretakers.

The remuneration policy of the Group’s employees are reviewed and approved by the executive directors. Benefits such as medical schemes, provident fund and discretionary bonus are provided.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

AUDIT COMMITTEE

The unaudited interim financial statements of the Group for the six months ended 30 September 2002 have been reviewed by audit committee of the Company.

CODE OF BEST PRACTICE

The independent non-executive Directors of the Company were not appointed for a specific term but were subject to re-election in a specified period in accordance with the Company’s Bye-laws. Save as disclosed above, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Chu Yu Lin, David
Chairman

Hong Kong, 16 December 2002