

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

During the six months ended 31 December 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2002, the Group has 29 employees in Hong Kong. To accommodate the continuous growth of the Group, we will recruit talented individuals with high qualifications, expertise and international experience to join our workforce.

The Group recruits and promotes individuals based on their competencies, merit and development potential and remunerates its employees largely based on the prevailing industry practice. Remuneration packages are structured to reward and motivate individual performance and contribution to the Group. Review of remuneration policies are conducted on a regular basis.

AUDIT COMMITTEE

The audit committee comprises two independent non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any time during the period for the six months ended 31 December 2002, 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 except that the non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Articles of Association of the Company.

APPRECIATION

I would like to take this opportunity to express my thanks to the Directors and all staff for their contributions to the Group and shareholders for their support of the Company. All your unwavering support will remain the principal propelling force in the growth of the Group's earnings.

By order of the Board

Chau Ching Ngai

Chairman

Hong Kong, 21 March 2003