

SHARE OPTION SCHEME

On 23 August 2001, The Stock Exchange of Hong Kong Limited (The “SEHK”) has announced amendments to Chapter 17 of the Listing Rules in respect of share option schemes, which has come into effect on 1 September 2001. In compliance with the amendments to the Listing Rules and the announcement of The SEHK, the Company has terminated the share option scheme adopted on 13 October 1997 (the “Old Scheme”) and adopted a new share option scheme on 31 May 2002 (the “New Scheme”).

No share options was granted under the New Scheme since its adoption. Therefore, there was no outstanding share options at 30 June 2003.

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

During the six months ended 30 June 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2003, no person had registered an interest of 5% or more of the Company’s issued capital as recorded in the register of substantial shareholder’s interest maintained by the Company pursuant to provision of Section 16(1) of the SDI Ordinance, other than the shares held by Proper Glory as disclosed in the section headed “Directors’ interests in shares” above.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the this report, except that the independent non-executive directors of the Company were not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s articles of association.