



No theoretical value of share options is disclosed as no share options were granted during the period.

- * The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time when the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional issued share capital at the nominal value of the shares, and the excess of the subscription price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date are deleted from the register of outstanding options.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, the register kept by the Company under Section 336 of the SFO showed that the following shareholders (other than Directors of the Company) had an interest or a short position in the shares or underlying shares of the Company:

Name of shareholder	Number of shares held	Percentage of issued share capital (%)
Glorious Sun Holdings (BVI) Limited	394,954,000	39.472
Advancetex Holdings (BVI) Limited	233,540,000	23.340



Save as disclosed above, no other parties (other than Directors of the Company) were recorded in the register as having an interest or a short position in the shares or underlying shares of the Company as at 30 June 2003.

CODE OF BEST PRACTICE

Except that the independent non-executive Directors have no fixed terms of appointment and are subject to retirement by rotation in accordance with the bye-laws of the Company, the Directors are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The Company's audit committee is composed of two independent non-executive Directors of the Company, Mr. Wong Man Kong, Peter, J.P. and Mr. Lau Hon Chuen, G.B.S., J.P. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim condensed consolidated accounts for the six months ended 30 June 2003.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2003.

By Order of the Board

Charles Yeung, J.P.

Chairman

Hong Kong, 4 September 2003