

PURCHASE, SALE OR REDEMPTION OF SHARES

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

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 of the Stock Exchange throughout the period covered by the interim report, except that the non-executive Directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

The unaudited Interim Financial Report of the Group for the six months ended 30 June 2003 had been reviewed by the Company's audit committee in the meeting on 1 September 2003. The audit committee comprised of two independent non-executive directors including Mr. Yuen Pak Yiu, Philip and Mr. Huan Guocang.

APPRECIATION

On behalf of the Board, I would like to offer my sincere thanks to all our staff for their hardworking and commitment contributed to the Group.

Liu Ji Yuan
Chairman

Zhuhai, PRC, 10 September 2003