

PURCHASE, SALE AND REDEMPTION OF SHARES

For the six months period ended 30 June 2003, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

AUDIT COMMITTEE

The Audit Committee, comprising Messrs. Li Weibin and Wang Xianjun, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2003 ("Interim Financial Statements"). At the request of the Directors, the Group's external auditors have carried out a review of the Interim Financial Statements in accordance with Standard of Auditing Standard 700 "Engagements to Review Interim Financial Reports" issued by HKSA.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Directors are of the opinion that the Company has complied 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 from 1 January 2003 to 30 June 2003.

By Order of the Board of
Greater China Holdings Limited
Xu Ying
Chairman