

As at 30th June 2003, the Company has not granted any options to subscribe for Shares under the 2003 Scheme.

The Board does not consider it appropriate to disclose a theoretical value of the Share Options granted to the directors and employees of the Company in the previous years because a number of factors crucial for valuation cannot be determined; such factors include the exercise period and the conditions that a share option is subject to. Accordingly, any valuation of the share options based on the various speculative assumptions would not be meaningful and could be misleading to the shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the period.

CORPORATE GOVERNANCE

20

The Company complies with the Code of Best Practice as set out in Appendix 14 of the Listing Rules (the "Code"), except that the independent non-executive directors of the Company were not appointed for specific terms but appointed to their offices for such terms and subject to retirement in accordance with clause of 87 of the by-laws of the Company.

AUDIT COMMITTEE

In compliance with the Code, the Company has established an Audit Committee and has adopted the terms of reference governing the authority and duties of Audit Committee. The Audit Committee has reviewed and discussed with management of the Company the accounting principles and practices adopted by the Group, internal controls and financial reporting matter, including a review of the unaudited condensed consolidated financial statements for the six months ended 30th June 2003.

On behalf of the Board

Jun Li

Director

Hong Kong, 26th September 2003