



## **ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS**

The share option scheme (the "Option Scheme") of the Company was adopted by the Company pursuant to a resolution passed on 16th May, 2002. The Option Scheme became effective on 6th June, 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The major terms of the Option Scheme has been set out in appendix VII to the Company's prospectus dated 24th May, 2002 under the section headed "Share Option Scheme".

At 30th September, 2003, the total number of shares available for issue under the Option Scheme was 30,000,000, representing 10% of the shares of the Company in issue at that date. However, there has been no option granted since the adoption of the Option Scheme.

Other than as disclosed above, at no time during the period was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the period.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

During the current period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

## **AUDIT COMMITTEE**

The audit committee has two members comprising Messrs. Liu Chun Ning, Wilfred and Lin Zhi Hang, both being independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee has reviewed with Directors the accounting principals and practices by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial statements for the current period.



## COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the period with the Code of Best Practice as set out by the Stock Exchange in appendix 14 to the Listing Rules except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

By order of the Board

**Hung Hon Man**

*Chairman*

Hong Kong, 10th December, 2003