

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE**

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the period under review.

## **MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the model code on securities transactions by directors set out in Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding director’s securities transactions. The Company confirms that, having made specific enquiry of all directors, the Board has complied with the required standard set out in the Model Code.

## **SHARE OPTIONS HELD BY DIRECTORS**

The Company’s share option schemes (the “Schemes”), the Pre-IPO and Post-IPO Share Option Schemes were adopted by the then sole shareholder of the Company by way of written ordinary resolutions passed on 31 August 2002 for the purposes of providing incentives or rewards to directors and eligible employees for their contribution to the Group. The subscription price for the Shares under the Pre-IPO Share Option Scheme is HK\$0.6 per share. The grantees are permitted to exercise options granted under the Pre-IPO Share Option Scheme during the period commencing from the expiry of six months from the date of listing of Shares on the Stock Exchange and up to 19 September 2004. No further options can be granted under the Pre-IPO Share Option Scheme after the date of listing of the Shares on the Stock Exchange. The Pre-IPO Share Option Scheme is valid for a period of 10 years commencing on 31 August 2002 save as early terminated in accordance with the scheme. The maximum number of shares in respect of which options may be granted under the Post-IPO Share Option Scheme shall not exceed 8,020,000 shares, being 10% (the “Scheme Mandate Limit”) of the issued share capital of the Company as at the date of an adoption of the Scheme. The Scheme Mandate Limit may be renewed by the approval of shareholders proposed that the number of shares under outstanding options shall not exceed 30% of shares in issue from time to time.