

*Note:*

1. These Share Options were granted on 16 February 2000 and are exercisable at a subscription price of HK\$0.69 per Share at any time during the period of 10 years from 16 February 2000 to 15 February 2010.
2. These Share Options were granted on 2 November 2000 are exercisable at a subscription price of HK\$0.382 per Share at any time during the period of 10 years from 2 November 2000 to 1 November 2010.
3. These Share Options were granted on 5 January 2004 are exercisable at a subscription price of HK\$0.160 per Share at any time during the period of 10 years from 26 January 2004 to 4 January 2014.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the period six months ended 30 June 2005.

## CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2005, except that certain non-executive directors of the Company are not appointed for any specific terms but are subject to retirement by rotation in accordance with the Bye-laws of the Company.

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The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors during this reporting period, the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions.

## AUDIT COMMITTEE

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 30 June 2005.

On behalf of the Board

**Jun Li**

*Director*

Hong Kong, 29 September 2005