

In recent years, the practice of corporate governance has gained prominence within the global investment community, which fueled investors' calls for stricter internal controls and accountability. At Magician, we fully understand our shareholders' concerns and strive to maintain the highest ethical standards to ensure that the Group conducts its business in the best interests of its investors.

Audit Committee

An Audit Committee was established in Magician in August 2000. The current committee comprises two independent non-executive directors, Mr. Tsui Sing Kee, Rawdon and Mr. Ng Wai Lung, and one non-executive director, Mr. Keung Sau Tim. The Audit Committee has met four times during the financial year under review to consider the nature and scope of audit reviews and financial reporting matters (including interim and annual financial statements).

Special Taskforce Committee

With more than 5,000 employees, Magician well understands the importance of human resources planning to look after the development and growth of its dedicated workforce. A Special Taskforce Committee was established with this goal in mind. During the last few months, the taskforce, which comprises representatives from various departments in the Group, has done a great job in tackling the threat of SARS.

Management Meeting

To facilitate communications within the Group, senior management meetings chaired by the Chairman were held on a monthly basis to report on business and operational progress, as well as financial matters. Feedbacks from customers overseas and Mainland China were also exchanged with a view to improving service and enhancing product development.

These were important information-sharing sessions that not only strengthened the Group's internal communication network, but also helped to create clear and effective ideas, which were used to better define our strategies.

Code of Best Practice

Throughout the year ended 31st March, 2003, the Company has complied with the Code of Best Practice as provided in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, save for the fact that the independent non-executive directors of the Company are not appointed for specific terms. The term of office of each independent non-executive director is determined by his mandatory retirement by rotation in accordance with the Company's by-laws.

