

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the period from 1st July, 2000 to 31st December, 2000 with the code of best practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Code of Best Practice”), except that:-

1. The independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in annual general meeting in accordance with the Company’s Bye-laws.
2. From 1st July, 2000 to 9th August, 2000, the Audit Committee comprised of less than two independent non-executive directors. At a Board Meeting of the Company held on 10th August, 2000, two independent non-executive directors are appointed as members of the Audit Committee and a revised written terms of reference was adopted in accordance with the Code of Best Practice.

The Audit Committee has reviewed the interim results of the Group for the six months ended 31st December, 2000 at the Audit Committee Meeting held on 28th March, 2001.

On behalf of the Board
Wong Kam Fu, Nelson
Chairman

Hong Kong, 28th March, 2001