

CODE OF BEST PRACTICE

The Company has not established an audit committee ("Audit Committee") to review and supervise the financial reporting procedures and internal control of the Company pursuant to paragraph 14 of the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. However, since the establishment of the Company, its organisational structure has, in lieu, a Supervisory Committee which carries out functions similar to those of an Audit Committee. Members of the Company's Supervisory Committee are elected by and can be removed by the shareholders of the Company at a general meeting of shareholders. The Supervisory Committee reports to general meetings of shareholders, whereas an Audit Committee is primarily appointed amongst the independent non-executive directors of a company. Moreover, the function of the Financial Committee of the Board recently established by the Company is also to review the financial conditions, budgets and final accounts of the Company and relevant financial issues.

Apart from this, none of the directors is aware of any information that would reasonably indicate that the Company is not, or was not in compliance with the Code of Best Practice at any time during the accounting period.