

CODE OF BEST PRACTICE

Other than the setting up of an Audit Committee aiming at reviewing and supervising the Company's financial reporting process and internal control the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the Period. The Company's organizational structure has, in lieu, a Supervisory Committee which carries out functions similar to those of an Audit Committee, the differences being that the Company's Supervisory Committee comprises five representatives (one of which shall be an employee of the Company) who are elected and removed in the general meeting of shareholders, and which reports to the general meeting of shareholders, whereas an Audit Committee is appointed amongst the non-executive directors of a company.