

CORPORATE GOVERNANCE

The Group is committed to the highest standards of corporate governance to preserve and enhance corporate value and the interests of all shareholders.

BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Group comprises ten members, of whom four are executive directors, two are non-executive directors and four are independent non-executive directors. The experience, knowledge and expertise of the existing directors are considered sufficient to effectively lead and control the Group, taking into account the scope and nature of its operations. The experience and qualifications of directors and senior management are set out on pages from 10 to 16 in the "Directors and Senior Management" section of this annual report.

The key role of the Board is to protect and enhance shareholders' value. To fulfil this, the Board reviews and advises on the Group's overall strategies and objectives, sets goals, supervises executive management, monitors business performance and assumes responsibility for corporate governance.

Commencing from the financial year ending March 31, 2004, the Board will meet at least 4 times a year to review and approve the quarterly, interim and annual results of the Group.

The Board is furnished with complete and adequate information in a timely manner to allow the directors to discharge their duties properly. The directors, in furtherance of their duties, are given access to independent advisers when necessary, and are provided with the names and contact details of the Group's senior management and the company secretary, who is responsible for advising the Board on compliance matters.

AUDIT COMMITTEE

The audit committee was established in June 1999 to assume a range of responsibilities including but not limited to the review and approval of (i) management accounts of the Group; (ii) internal and external auditors' reports; (iii) connected party transactions and (iv) material information to be published. The audit committee also evaluates the Group's system of internal controls and the scope and results of the internal audit procedures.

The audit committee has explicit authority to investigate into any matter under the scope of its duties and the authority to obtain independent professional advice. It is given full access to and assistance from the management and reasonable resources to discharge its duties properly.

Starting from the 03/04 financial year, the audit committee will meet at least 4 times a year to review the quarterly, interim and annual results of the Group.

INTERNAL CONTROLS AND INTERNAL AUDIT

The Group's internal auditors perform their audit work in accordance with the "Standards for the Professional Practice of Internal Auditing" issued by the Institute of Internal Auditors in the US. Its annual audit plan is formulated through the risk assessment reviewed and approved by the audit committee.

The internal auditors perform compliance tests on the Group's systems of internal controls, in respect of financial as well as operational aspects and risk management to protect the Group's assets and to ensure the effectiveness of its business operations.

INTERNAL CONTROLS AND INTERNAL AUDIT (continued)

Internal audit reports are issued to the audit committee to highlight the nature of relevant risks within each business function and recommend actions to be taken to minimise the risks identified with the aim to support continuous improvements in the Group's operations. The internal auditors will present their reports to the audit committee for their review at every audit committee meeting. Based on the findings and recommendations made by the internal auditors, the audit committee is satisfied with the controls of the financial risks relating to fixed assets, account receivables, treasury management and the operational risks relating to quality assurance, management information recovery plan and security.

CORPORATE TRANSPARENCY AND INVESTOR COMMUNICATIONS

The Board is mindful of its obligations to provide shareholders with timely and adequate disclosure of material information and performance results. In addition to the regular reports and announcements required by the relevant regulatory bodies, the shareholders are provided with opportunities to ask questions at the annual general meetings, where directors are pleased to give their response.

To further increase its transparency, the Group holds conferences with investment analysts and the press at least twice a year to present its interim and annual results. In these occasions, the directors will release financial as well as operational results of the Group and answer questions raised by the participants. The results presentation made by the directors are digitally recorded for the ease of review by the shareholders and other interested parties through webcast. The Group also arranges factory plant visits for investment professionals to update them on the status of our continuous improvements in production capabilities.

Furthermore, the Group regularly releases corporate information such as awards received and product launches on its corporate website (www.idthk.com) as well as the website of irasia.com Limited (www.irasia.com). The public are welcome to give their comments and make their enquires through the Group's website and the management will provide their prompt response.

VOLUNTARY QUARTERLY REPORTING

Extending beyond compliance with the mandatory requirements under the Companies Ordinance and those of the Stock Exchange of Hong Kong Limited, in June 2003, the Board approved the public release of quarterly reports to further increase the Group's transparency. This will enable shareholders, potential investors and the general public to receive information about the Group's financial and operational status more frequently.

The first quarterly report of the Group is scheduled to be released in August 2003 for the quarter ending June 30, 2003.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Group has fully complied with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited.