

## **AUDIT COMMITTEE**

The Company set up its Audit Committee on 23rd September, 1998 pursuant to the requirements of the Listing Rules. The Audit Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process and internal controls. The Committee comprises Mr. Ronald Joseph Arculli, GBS, OBE, JP, Mr. Paul Cheng Ming Fun, JP and Dr. Allan Zeman, GBS, JP, the Independent Non-executive Directors. During the interim period, the audit committee had held one meeting and had reviewed the Company's last annual report. In the first quarter of 2005, the Committee had held one meeting and had reviewed this interim report.

## **CODE FOR DEALING IN THE COMPANY'S SECURITIES BY DIRECTORS**

In September 2004, the Company has adopted a code for dealing in the Company's securities by Directors (the "Company Code") on terms no less exacting than the required standard set out in the Model Code of the Listing Rules. The Company has made specific enquiries of all Directors who confirmed compliance with the required standard set out in the Model Code and the Company Code during the interim period.

## **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the interim period, in compliance 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 "Listing Rules") in force prior to 1st January, 2005.

The term of office for each Independent Non-executive Director is the period up to his retirement by rotation and re-election at the Annual General Meeting in accordance with the Company's Articles of Association.

By Order of the Board  
**Eric IP Sai Kwong**  
*Secretary*

Hong Kong, 17th March, 2005