

CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate the Company is not, or was not for any part of the six months ended 30 June 2001 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”), except that the independent non-executive directors do not have specific terms of appointment but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s bye laws. In the opinion of the Directors, this meets the same objective as the Code of Best Practice.

To comply with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, the Company set up an audit committee (the “Audit Committee”) on 12 June 1999 with the written terms of reference for the purpose of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Audit Committee comprises the two independent non-executive directors of the Company.

By order of the Board
Chan Tze Ngon, Ron
Chairman

Hong Kong, 20 September 2001

* *for identification only*