

Management Commentary

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

Following the resignation of Mr. Stephen Edward Clark and Mr. Herbert Chang Yu Pang as Independent Non-executive directors on 7th June, 2001 and 20th November, 2001 respectively, Mr. Tsui Yiu Wa, Alec remains as the only Independent Non-executive director.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the Group's unaudited interim accounts for the six months ended 30th September, 2001. At the request of the Directors, the Group's independent auditors have carried out a review of the unaudited interim accounts in accordance with the Statement of Auditing Standards 700 issued by the Hong Kong Society of Accountants.

Save as disclosed above and except that the Independent Non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's Bye-laws, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited.