

CORPORATE GOVERNANCE

During the six months ended 30th September, 2001, none of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules except that the non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws of the Company.

An audit committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls. The current members of the audit committee are the two independent non-executive directors, Dr. Peter Po Fun Chan and Mr. David Chris Lee Tsung Hei. The interim report has been reviewed by the Company's audit committee.