

Corporate Governance

Code of Best Practice

The directors are of the opinion that 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”) has been complied with by the Company from 1 January 2003 to 30 June 2003.

Audit Committee

The Company set up an Audit Committee on 24 September 2002 with its written terms of reference being in compliance with Rules set out in “A Guide for the Formation of An Audit Committee” issued by Hong Kong Society of Accountants. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The Audit Committee comprises two independent non-executive directors, namely Mr. Gary Cheng Faat Ting and Mr. Guo Jing Mao, with Mr. Gary Cheng Faat Ting being Chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim financial statement for the six months ended 30 June 2003.