

The first anniversary of the Financial Reporting Council being fully operational

(July 16, 2008, Hong Kong) Today, upon its first anniversary of full operation, the Financial Reporting Council (the “FRC”) announces that, with immediate effect, it will not only look into the complaints received, but will also monitor and review all financial statements of listed companies in Hong Kong which have a modified auditor’s report, as soon as they are published. The FRC will also be publishing a summary of closed complaint cases on its website, www.frc.org.hk, towards the end of July 2008. This summary will outline the allegations of the complaints received and the findings of the FRC on those complaints.

Ms. Sophia Kao, Chairman of the FRC, said “This has been a very challenging and fruitful year for us. With experience gained in the past year and in response to the public’s growing expectations, we will begin to take a more proactive approach in the regulation of financial reporting of listed companies. We will take follow up actions if potential non-compliances or audit irregularities are identified.”

“We have consulted the other regulators on this initiative to ensure that there will be no duplication of efforts. It will enable us to all work together in strengthening the regulatory oversight of auditors and enhancing the protection for investors on a timely basis.” Ms. Kao added.

“Effective and transparent performance is one of the firm policies of the FRC. The summary of closed complaint cases will be updated on a monthly basis to keep the public fully informed of how we have handled the complaints received.” Mr. M. T. Shum, Chief Executive Officer of the FRC, explained.

Up to now, the FRC has received 22 pursuable complaints and completed the review of 16 of them. One investigation and one enquiry were initiated in October 2007. Most of the complaints relate to non-compliance with financial reporting standards.

“The FRC pledges to strive to maintain a level playing field for all players in the Hong Kong securities market and will continue its efforts to uphold the quality of financial reporting of listed entities in Hong Kong.” concluded Ms. Kao.