

AUDIT COMMITTEE

The Company has established an audit committee comprising of all three independent non-executive directors. The audit committee has reviewed with management the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30 June 2001. In carrying out this review the audit committee has relied on the review of the Group's external auditors as well as obtaining explanations from management. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial report in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" ("SAS 700") issued by the Hong Kong Society of Accountants ("HKSA").