

AUDIT COMMITTEE

The Audit Committee was set up following the listing of the Company's shares on the Stock Exchange with written terms of reference in compliance with the Code of Best Practice set out in Appendix 14 to the Listing Rules and in accordance with the guidelines set out in "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants. Mr Lau Siu Ki, Kevin was appointed Chairman of the Audit Committee, with Mr Cheong Ying Chew, Henry and Mr Lu Gong appointed as members. The Audit Committee has reviewed the unaudited condensed interim financial statements for the six months ended 30 June 2001.