

Audit

Committee Report

The committee formally meets two times during the year and other informal meetings were conducted as and when necessary. These meetings were held together with senior management and external auditors as and when necessary, to consider the external auditors' proposed audit fees, their independence and scope of the audit; review the internal control and risk management systems; review the interim and annual financial statements, particularly judgmental areas, accounting principles and practice adopted by the Group; review the external auditors' management letter and management's response; and review the Group's adherence to the Code on Corporate Governance Practices as set out at Appendix 14 of the Listing Rules.

The audit committee recommended the Board to reappoint Deloitte Touche Tohmatsu as external auditors for the fiscal year 2006 and recommended to approve the interim and annual reports.

MEMBERS OF AUDIT COMMITTEE

Mr. Li Kung Man (*Chairman*)

Prof. Zhou Chaofan

Dr. Wang Jianping

17 March 2006