

The Audit Committee has four members, all of them are independent non-executive directors.

The Committee oversees the financial reporting system and internal control procedures. In this process, management is principally responsible for the preparation of Group financial statements including the selection of suitable accounting policies. External auditors are responsible for auditing and attesting to Group financial statements and will report to the management of the Company from time to time on any weakness in controls which come to their attention. The Audit Committee oversees the respective work of management and external auditors to ensure the management has discharged its duty to have an effective internal control procedures.

The Audit Committee has reviewed and discussed with management and external auditors the 2005 consolidated financial statements included in the 2005 Annual Report. In this regard, the Committee had discussions with management with regard to new or changes in accounting policies as applied, and significant judgments affecting the Group financial statements. The Committee also received reports and met with the external auditors to discuss the general scope of their audit work, their assessment of Group internal controls.

Based on these review and discussions, and the report of the external auditors, the Audit Committee recommended to the Board of Directors approval of the consolidated financial statements for the year ended 31 December 2005 with the Auditors' Report thereon.

The Committee recommended to the Board that the shareholders be asked to re-appoint Deloitte Touche Tohmatsu as the Company's external auditors for 2006.

## **Members of the Audit Committee**

Mr. Tong Tsin Ka (*Chairman*)

Dr. Lee Tung Hai, Leo

Mr. Ng Ping Kin, Peter

Mr. Cheng Mo Chi, Moses

Hong Kong, 9 March 2006