



Audit Committee Report

The committee formally met 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 judgemental 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 in Appendix 14 of the Listing Rules.

The audit committee recommended the Board to reappoint Deloitte Touche Tohmatsu as external auditors for the fiscal year 2007 and recommended to approve the annual report.

MEMBERS OF AUDIT COMMITTEE

Mr. Hung Randy King Kuen

Mr. Chen Xiaohong

Mr. He Xingui

23 April 2007