



AUDIT COMMITTEE

To comply with the revised Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company set up an Audit Committee on 15th September, 1998. The terms of reference of the Audit Committee have been established with reference to “A Guide for the Formation of an Audit Committee” issued by the Hong Kong Society of Accountants. During the year, the Audit Committee held two meetings on 18th April, 2001 and 14th September, 2001, which have discussed the internal controls and financial reporting matters with management and reviewed the interim accounts of the Group for the six months ended 30th June, 2001.