

AUDIT COMMITTEE

In May 1999, the directors established an audit committee with written terms of reference in accordance with the requirements of the Listing Rules. Since then, the committee has held meetings twice a year to review the half-year and annual financial statements of the Company prior to their submission to the Board as well as to discuss the internal control and other issues of the Company. The audit committee has reviewed the Company's interim results for the six months ended 30th June, 2001.

On behalf of the board
SHI LIWEN
Chairman

Hong Kong, 24th September, 2001