

AUDIT COMMITTEE

The Company's Audit Committee was established with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants and in accordance with the requirements of the Code of Best Practice, and comprised two independent non-executive directors during the period under review. The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial report matters including a review of the unaudited interim accounts for the six months ended 31 December 2001.

At the request of the Board, external auditors, Messrs. HLB Hodgson Impey Cheng have carried out a review of the unaudited interim financial statements in accordance with the Statement of Auditing Standards 700 issued by the Hong Kong Society of Accountants.

By Order of the Board
Thomson Lee
Vice Chairman

Hong Kong, 22 March 2002