

AUDIT COMMITTEE

The Company has established an audit committee comprising members of the two independent non-executive directors of the Company, namely Mr. LEUNG Pak To, Francis (chairman of the audit committee) and Professor WU Jinglian. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2003 of the Group.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part during the six months ended 30 September 2003, in compliance with the Code of Best Practice set out in Appendix 14 of the Listing Rules, except that the non-executive director and independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company.

By Order of the Board

LI Qin

Chairman

Hong Kong, 26 November 2003