



AUDIT COMMITTEE

An Audit Committee has been established since 1998 to act in an advisory capacity and make recommendations to the Board. Its members currently include six non-executive directors of whom four are independent directors:

Dr Victor Fung Kwok King - *Chairman*

Mr Paul Edward Selway-Swift *

Mr Allan Wong Chi Yun *

Professor Franklin Warren McFarlan *

Mr Leslie Boyd

Mr Makoto Yasuda *

Mr James Siu Kai Lau (Chief Compliance Officer) - *Secretary*

* *Independent non-executive Directors*

None of the Audit Committee members has any relationship to the Group (other than as shareholders) that may interfere with the exercise of his independence from the Group and its management. The Audit Committee has met twice in 2001 to review with senior management and the Company's internal and external auditors the accounting principles and practices adopted by the Group and to discuss auditing, internal control and risk management and financial reporting matters (including interim financial statements for the six months ended 30 June 2001 before recommending them to the Board for approval).